

HOUSING

Vol. 22

JUNE, 1934

No. 3

A PARABLE

Once upon a time—all good stories began that way, once upon a time—there was a great country whose people enjoyed to a remarkable degree a prosperous and thriving condition. Of all the countries in the world the standard of living of its working people was the highest. Their wages not only equalled but exceeded the wages paid for similar work in other parts of the world with the result that the working people of this great country were able to enjoy a kind of life that was unknown to workers in many other countries, so that it came to be said that in some respects the humble worker of today enjoyed many things which Princes had not known a few centuries ago.

Suddenly upon this great country there descended a Depression which laid its blighting hand upon the whole country. The wheels of industry ceased to turn, and from one end of the land to the other workers began to lose their jobs until finally the whole country seemed almost at a standstill.

This condition continued through many months. Finally, a change came over the land. There were the beginnings of stirrings of employment in different industries. Then the Government took charge of the situation. It began to pour out vast sums of money to start the wheels of industry going once more.

Now there were many persons who, up to the beginning of the Depression, had reaped large returns from their business. To them it was a novel experience to have to try and find a market for their goods, and to wonder where such a market could be obtained in the future.

One day one of these groups, the manufacturers of expensive furs, finding that many people once rich but now poor were no longer able to purchase such costly garments, got together and said,

“There must be some market for our products. There must be

people who can buy furs and who if they cannot buy them now can be made to buy them through high pressure salesmanship and other methods. Can there be a group in the community that we have overlooked?"

Thereupon one of them hit upon a novel idea. He said, "There is a vast group of working people scattered through all parts of the United States heretofore characterized as being in the lower-income group. While it is true that their capacities are such that they cannot earn the rewards that men of greater skill, greater intelligence, greater ability or greater diligence, usually gain, that is no reason why they should not share in the good things of the earth. The wives and children of these humble workers are just as good as the wives and children of the richest people in the land. Why should the women of the rich be able to deck themselves in expensive furs and the humble worker's wife have to be content with ordinary woolen garments? In a Democracy this is unthinkable! Let us seek a market for our products among the lower-income group! There are more persons there than in any other group in the country. We are opening a market which is almost illimitable."

To this, one of the group replied, "How are the workers in the lower-income group ever to be able to pay for or afford the kind of luxurious garments that we manufacture? How can they pay for sables or mink out of their relatively meagre wages?"

To which the first manufacturer replied, "Of course, it is true that they cannot pay for such things out of their wages; but that is no reason why they shouldn't have them—especially as we want them to buy them. Why should not the Government be called in to aid in this great Emergency? The country faces a situation analogous to the situation caused by war or a great upheaval of nature—some disastrous earthquake or flood—and all the usual principles that govern and control our lives may be deemed to be suspended.

"Let us impress upon the people of this country that an 'Emergency' exists, and that under the necessity of this 'Emergency' the Government must see to it that the workers of the country are set to work once more. The one thing of paramount importance to the whole country is that the workers of the country should be set to work and the wheels of industry should turn and factory chimneys belch forth smoke. Otherwise, the country itself will cease to exist!

"It is far better to be paying wages to the workers in the fur industry and that they be employed than to put them on the 'dole' or allow them to starve. True, they have been paid good wages other years and

they should have put aside for the future sufficient to tide them over this present situation—but that is an old-fashioned idea! No one believes in such nonsense nowadays. It is good for a country to have everybody spend everything they earn, even more than they earn—for by so doing business is stimulated.”

“Great is the great god—Business!”

“Let us, therefore, continue to make costly fur garments so that the working man’s wife may deck herself with them—and what she cannot pay, let the Government pay. The Government can appropriate countless hundreds of millions of dollars, and from its magic Fortunatus’ Purse distribute largess to those who need it.”

Whereupon they proceeded to act upon this advice which seemed to them excellent.

And it came to pass that it was only a short while before other groups of business men, seeing how successful this plan had been, determined to seek this great market of the “lower-income group” for their products also.

The result of it was that the machinery which had been set up at Washington proved quite inadequate to deal with the new situation.

In the old days ladles had been sufficient to ladle out the “pap”. But ladles have become quite “Victorian”. Even shovels have been discarded.

Today the visitor to Washington sees the streets and the public parks of that city lined with gigantic machines, great cranes and scoop shovels, steam dredges and huge buckets, capacious enough to hold the stream of golden* shekels that a beneficent Government pours into the outstretched hands of the waiting populace.

THE GOVERNMENT’S HOUSING SCHEMES

Just what kind of housing is now being undertaken with the use of Government funds? This is but one of the questions that our readers, we feel sure, would like to have answered. Where are these projects located? How expensive are they? And are they to be giant apartment houses or small cottages? And for what class of people in the communities are they to be built? What rents are to be charged? What return on the investment is to be expected? To what extent are these to be the efforts of private enterprise aided with Government loans? In how many instances will an outright subsidy be made by the Government? And where such grants are made, is the Government loaning

* We apologize to the Secretary of the Treasury and hope we shall not be prosecuted for using this forbidden word.—Editor.

the balance of the money necessary—thus practically providing 100% of the money needed? And where this is done, what kind of security is the Government likely to ask?

In how many instances are the municipalities themselves undertaking these housing schemes—either directly through their existing governmental agencies or through new Housing Authorities or similar agencies that have been created for this purpose? How many of these projects are slum clearance schemes and how many are low cost housing? Just what does the Government mean in these cases by “low-cost housing” and what by “slums”? Are they really slums that are being cleared or are they merely “blighted areas”? What class of people in the industrial and social scale will become tenants of these houses? And how are the tenants to be selected? Will the houses be for the low-income groups, or the slum dwellers who have been displaced, or will they be, as new housing generally heretofore has been in the United States, for the white collar group? What rents are to be charged? And how is the property to be managed? What safeguards are thrown around the development of these schemes so as to protect the investment of the municipalities in them?

What kind of houses are they? Have the architectural designs been so carefully studied as to insure that the type of housing developed will not merely be the best that can be developed today with our present knowledge of the science and art of planning, but may even anticipate some of the improvements in that science and art, that the immediate future is likely to hold?

ARE THEY WELL DESIGNED?

Or, on the other hand, are these plans inferior in any respect to the ordinary commercial types of houses that are constructed at the present time? To what extent has the experience of the model housing developments throughout the country been availed of, and the mistakes made there been recognized and avoided? Do any of these plans contain rooms that are insufficiently lighted? Are any of the rooms too small? Is there real cross-ventilation in every apartment, in every room? Are there any interior rooms? Are all bathrooms with their accompanying sanitary fixtures lighted and ventilated directly on the outer air; or is the insanitary and outlawed method of interior bathrooms that flourishes in so many hotels permitted in any of these projects?

What height are the buildings to be for which the taxpayers' money is to be loaned and expended? Are gigantic skyscraper apart-

ment houses to be built, shutting out light and air from neighboring buildings? Or are the buildings to be kept down to a reasonable height? Are the new buildings to be luxury tenements like some of the more recent model tenements developed in New York City under tax exemption where the tenants have furnished to them all of the latest gadgets—such as electric elevators, Frigidaires, and a general method of living which only really well-to-do people can afford?

What is to be the land coverage in most cases? Is there to be concentrated development with a large percentage of land occupied, or are modern ideas to prevail and the least possible land to be occupied that can be occupied consistent with intelligent site planning? What is the expected land cost per square foot and the building cost per cubic foot? And what rentals have been fixed and have been approved by Washington?

These are but some of the questions that our readers and the country as a whole are asking or soon will be asking with regard to these housing projects as they begin to take outward and visible form. Up to the present these projects have been on paper. Construction on some of them is now commencing so that soon they will be a matter of comment by the citizens of the respective communities as they observe these new buildings being erected.

THE PUBLIC NOT CONSULTED

All of this information should long ago have been given to the public by Washington. An Administration that emphasizes that it is proceeding by "open covenants openly arrived at", that refers to its activities as similar to "life in a gold fish bowl", and that constantly emphasizes its desire to take the public into its confidence, has been singularly secretive with regard to its housing work.

It would almost seem as if the Housing Division and other branches of Government responsible for housing work have feared to submit their decisions to public scrutiny and criticism. While every allowance should be made for the very natural desire on the part of the Government to get the work underway and while probably part of the hesitation to submit their projects to public scrutiny has been because they feared it might result in delay, still the questions involved are much too important to have warranted proceeding *in camera*, which has been the practice up to the present time. Requests made months ago for the fullest publicity with regard to projects before they were finally adopted have been completely ignored.

The Government would have been the gainer by submitting every project before it reached the stage of final approval to a critical public, to have spread before the people of the United States the details of what they were planning to do, of how the taxpayers' money was to be spent and what it was to be spent for, and to have invited from persons competent to criticize the plans thus presented the most searching criticism, seeking to find every defect or weak point in the schemes.

THE EXPERTS IGNORED

We regret that there has been nothing of this kind done and repeat that the Government is the loser thereby. For, from such criticism they would have acquired information obtainable in no other way. This is particularly important because of the Administration's failure to bring into consultation with it the real housing experts of the country. It has availed itself of the knowledge and experience of some of the architects of the country who have had experience in the field of "improved housing", but the real housing experts, the men who have been in this field for 20 or 25 years, have been ignored. Washington has welcomed to its staff the "library experts" and the architects, but the real experts have not been consulted.

HOW TO STALL ON A FEDERAL HOUSING PROGRAMME

1. ASSEMBLE members of the Executive Council of the Public Works Administration who are responsible for the New Deal policies in regard to housing and tell them how to avoid the embarrassment of succeeding with their objectives. Warn them against consulting specialists in the various phases of the housing field for specialists are notoriously biased and want things done in an intelligent, orderly, constructive manner. If they must have advice, persuade them to take it from persons who have a little "library" knowledge about housing but no practical experience with its intricate ramifications.
2. ENCOURAGE this group to ignore the facts about residential vacancies, demolitions, new construction needs by types and quantity, buying and rental power capacity of the average family, and other basic data upon which practical men predicate a dwelling construction programme. Particularly encourage them to ignore the amount of unemployment among building trades workers and likewise to ignore the part played by dwelling construction in providing additional work opportunities at forest and mine, through transportation systems, and in factories.

3. **DELUGE** this group with propaganda from mortgage lending agencies who have acquired scores of thousands of wage earners' houses by foreclosure and who hope to reap large profits by preventing dwelling construction and thereby creating an acute housing shortage. Impress upon them that these profiteers should be spared competition from new dwellings and be permitted to unload their deteriorated holdings upon a public they had previously victimized.
4. **IMBUE** this group with a wholesome fear of adopting a positive programme lest they make a mistake and lose a few pennies of their government's capital. (The Horatio Alger heroes saved wrapping twine and thus got their start to success and profits.)
5. **COUNSEL** this group to make haste slowly. Speed wears out muscular energy. Rip Van Winkle won fame by a twenty-year sleep. But this advice is superfluous: For nine months of false moves, changing policies and ineptitude in the housing programme indicate they know all about Rip and his methods.
6. **ADOPT** a policy of constant and irritating change of emphasis. Start off with suitable fanfare and encourage individual groups all over the country to make elaborate plans for low-cost homes to be financed with the aid of government money. When these projects begin to show some successful planning, the necessity for building can be avoided by switching to a policy of slum clearance. Again when private or municipal initiative becomes too well aroused, reverse, and admit that some low-cost housing will be considered but with restrictions which will surely prevent reasonable rental rates. Then when the interested public has started to cope with this problem, announce a further change of policy shutting out limited-dividend companies and admitting only government bodies. This is particularly effective in the prevention of construction, since almost all local governments lack constitutional authority to enter the dwelling construction business.
7. **TEACH** this group that the antidote to public dissatisfaction is a liberal use of "news releases" on what is going to be done and how many men will be employed and how many man-hours work will be directly and indirectly created when and if a housing programme is evolved. It is a good alibi and diverts public criticism to spread a story of the "big bad wolves"—for example, the naughty real estate speculators—who have upset the limited-

dividend housing programme. No intelligent newspaper reader will believe these releases but they may ease the committee conscience for its lack of discrimination between the good and the bad promoters of low-cost housing projects.

8. ADVISE this group against a sales programme for low-cost housing. Building "for rent only" would place practically the whole burden of financing on the government and limit the amount of construction. It would also restrict the number of work opportunities for building trades workers and others in allied industries. To build "for sale" would create a revolving fund, lower governmental expenditures, and give wage earners a chance to own their homes. Particularly would this be true if the group is taught to cry anathema against 3% interest rates or extension of amortization, on ordinary construction, to 35 years. Restraint by unreasonable regulations is always a desideratum when the purpose is to stall a house building programme.
9. IMPRESS this group with the futility of organized central control and management of a housing programme under the direction of one housing commissioner who would function independently and be given ample latitude to operate expeditiously. Assure them that it is stupid to coordinate all special bureaus, divisions, and corporations set up under the "New Deal" to utilize house building as a stimulant to business recovery. Particularly point out the danger of coordinating under any such executive officer all plans for slum clearance, the financing of home builders and home buyers, relief of distressed home owners, home repairs, low-cost housing programmes for families of low income, and subsistence homesteads. And, finally, make this group understand that an efficient executive with organizing ability and experience, assisted by a trained, qualified staff of workers, with field offices in strategic centers, is too practical. Work might get under way.
10. AS A LAST PRECAUTION, warn this group that they will make a grave mistake if they surround themselves with qualified lawyers who are interested in interpreting the laws so as to discover ways to expedite housing programmes. Such lawyers are dangerous. It is better to play safe by employing legal talent that can point out the "shalt nots" of intricate legal phraseology.

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Philadelphia

HOUSING: OF THE PEOPLE, BY THE PEOPLE, FOR SOME OF THE PEOPLE

Is the United States after resisting tendencies of older countries toward governmental interference in private business to resort to the device of Government housing?

Are we in the future to look forward to a situation by which the Government at Washington will provide the housing accommodations needed by the country?

To have suggested such a thing two years ago would have brought upon the person making the suggestion ridicule and skepticism. But much has happened in two years.

At the present time, if one can judge from what has taken place at Washington, there is little doubt that those in the seats of the mighty seriously contemplate the Government's undertaking this function—at first, possibly, on a relatively small scale, but, ultimately, on a gigantic scale.

One is given an inkling as to how vast a scale these projects may ultimately be carried out on by the fact that at the end of the year, 1933, there had been filed with the Housing Division of the Government at Washington applications for funds to the amount of \$600,000,000. The applicants for these funds probably marvel at their own moderation. We feel sure that to Washington this seems a mere bagatelle.

Just as in the War, Washington, where money is concerned, has lost the faculty for thinking in other than astronomical terms.

In order to realize the present situation and to consider where the country is tending, it may not be inappropriate to review briefly what has been happening recently in this country of ours so far as housing is concerned.

Two years ago the Congress of the United States as an incident to the relieving of the destitution then existing and as a means of creating employment, authorized the expenditure of what was then considered the vast sum of \$3,300,000,000 on a public works programme which it was expected would put thousands of workers quickly to work and set the wheels of industry moving.

Among the kinds of "public works" for which Federal funds could be expended and loaned was "providing housing for families of low income" and "for the reconstruction of slum areas". These powers were hedged about with various qualifications seeking to limit and restrict their use so as to protect the expenditure of Government funds and not have them diverted to channels, which at that time were considered an inappropriate use of public money.

Even with the qualifications and limitations thus imposed upon the use of Government money, there was grave doubt in the minds of many members of Congress and of the public generally as to the propriety and desirability of Government funds being thus employed for what were considered not to be public functions but the concern of private enterprise. Consequently, the use of such funds was limited to the making of loans to corporations formed for certain stated purposes and regulated by law in various ways. Such projects were further required to be self-liquidating in character.

THE EFFORT ABORTIVE

This legislation had been sponsored by the President who believed that housing was a proper use of public money and that the housing problem was to be solved by the entry of the Government into a field hitherto confined strictly to private enterprise.

The legislation proved abortive.

In order to avail themselves of the loans from the Federal Government authorized by this law, it became necessary for practically every state, other than New York, to enact laws regulating and controlling limited-dividend housing corporations.

A well-meaning but rather futile attempt was made by the small group interested in this extension of Government functions to secure the enactment in various states of laws that would make it possible for the cities in those states to avail themselves of the opportunity of securing Federal loans for housing purposes.

Such laws were enacted in about a dozen states as a result of a campaign, accelerated from Washington, by architects and groups interested in a revival of the building industry—to which were added a few persons unversed in the intricacies of the housing problem but well-intentioned and desirous of seeing improvements in housing made.

Most of the statutes thus enacted were inappropriate to the conditions existing in the various states. As a rule they were pretty close copies of the New York law, modified in one or two respects to meet suggestions made as the bills went through the legislative hopper. But in most cases they were enacted into law with little knowledge on the part of the legislature and the people in those states of what the bills contained or how far-reaching they were.

They all contemplated the setting up of state and local housing commissions—similar to the New York State Board of Housing—to regulate rents and control the other conditions that had been made a

part of the Federal enactment, and which it was necessary to observe in order to secure Government funds.

By the time these various efforts had culminated in the enactment of these enabling laws, those active in the movement reached the conclusion—which more experienced and wide-awake observers of the situation had reached at the beginning when these proposals were first made—that it was foolish to attempt to proceed under the limitations imposed by the Act of Congress and that the practical thing to do was to remove the strait-jacket* from the law.

CONGRESS RECONSIDERS

And so a year ago, Congress reconsidered what it had done a year earlier and greatly broadened the scope of the purposes for which the vast reservoir of public funds could be expended. It was now made possible to spend any part of the \$3,300,000,000 appropriated for public works for low-cost housing and slum clearance projects that the Government officials thought wise, without the limitations that had been imposed a year earlier.

Such projects no longer had to be “self-liquidating”, and it was made possible for the Government—in addition to loans up to as much as 70% of the cost of the project—to make outright grants of 30% of the cost of materials and labor, when such projects were undertaken by municipal or other public authorities.

At the same time new Governmental agencies came into being. This is no place in which to discuss the famous new creations of Government that have arisen at Washington during the past two years, designated popularly by letters of the alphabet and described by cynical newspaper men as Washington’s “alphabet soup”. In fact, it would be futile to attempt here to list such new branches of Government—for it is a certainty that any list thus made would be incorrect by the time that this journal had gone to press.

A HOUSING STAFF SET UP

In any event, a Housing Division of the Government was set up as part of the Public Works Administration under the Secretary of the Interior, headed by a New York architect who had shown great interest and enthusiasm for improved housing and who had devoted much energy to advancing the interests of the building trades and of the building industry generally.

* See *Housing*, October, 1932, pages 179-183.

It is true that the person thus chosen to head this important administrative job had given no indications theretofore of any special qualifications for the task entrusted to him so far as administrative capacity was required, nor had he that background of expert knowledge in the field of housing that would have proved of value to a person confronted with the problems involved.

What could reasonably be expected under these circumstances happened. Lacking the necessary administrative qualities that the task called for, the results thus far achieved have been disappointing, not merely to the country as a whole, and to those interested in housing, but to the friends of the Administration as well.

After over a year of effort, and very strenuous effort, on the part of those at Washington anxious to see housing projects developed, and the availability of vast millions of Government funds for this purpose as a means of providing immediate employment to vast numbers of men, it is disappointing to find only a few hundred men have been put to work, and very few housing projects advanced. Although 532 such projects have been submitted to the Housing Division of the Government, there are today, in June, 1934, but 9 projects under way.

BY THEIR FRUITS SHALL YE KNOW THEM

That the meagre results thus far obtained have been due largely to the unfortunate choice of a person with non-administrative ability* to head an administrative job of great complexity has been apparent from the beginning to those who have had dealings with the Housing Division. One of those friendly to it spoke out in public for the first time a few weeks ago. Discussing the need for better internal organization in the Housing Division, this commentator said:

This need has been much discussed in private by those who have dealings with the Division but little aired in public as yet. "Confusion", "running around in circles", "mad-house", "chickens with their heads off"—all these words have been used by people that talk to me on the subject.

There have been two main groups of persons who have had close contact with the Housing Division—those who wanted jobs—who wanted to be employed on the staff in some more or less expert capacity as architects or city planners or investigators—and those who wanted a grant of funds or loan. No matter how obvious the situation just described, it was not one that these groups could afford to ventilate.

That the Housing Division was not producing the results expected was made evident by President Roosevelt himself last January, who

** As we go to press, the resignation of this official is announced—just a year too late.—Editor.*

indicated at a Press conference that he was concerned over the failure of the Federal housing efforts to achieve either low-cost housing or bring about slum clearance.

As a result of this situation, a few months ago a change was made in the personnel of the Housing Division and a man assigned to have charge of the administrative work whose capacity for handling administrative problems had been proved by years of successful experience in achieving practical results.

The criticisms that have been voiced have been withheld much too long. It would have been kinder to the Administration and to those ineffectively grappling with problems they were incapable of solving if such criticism had been made vocal some time ago. Such criticisms have come, from every quarter, chiefly from the friends of housing and the Administration. The political opponents of the Administration have been very slow to make political capital out of the Administration's striking failure in the housing field.

NO TANGIBLE RESULTS

The whole situation, we think, has been most fairly and accurately summed up by the Editor of our contemporary, *The Architectural Forum*, in the January issue, as follows:

In July of the year now gone but not forgotten, there were visions of thousands at work building structures of economic and social import, building new homes for the "lower-income group". Hopes were high that the Public Works Administration would put the industry back on the job by winter—that with three billion they could "shoot the works." Today willing workers still huddle hungry in the slums that were to be cleared.

The millions of dollars announced by the PWA as "allotted" to building projects implied to the public that millions were being spent. Not one million has yet been spent on materials and labor for slum clearance and housing. Recovery and reemployment through building low-rental homes is not yet a fact, but it is still the potential primer of industry. Then why the delay?

Another friendly critic has summed the situation up recently as follows:

Progress in housing under the New Deal has been largely of a preliminary sort to date. There has been practically no building—though there may be some this year. We are still a long way from arriving at any clear, generally accepted conclusions as to what and where to build.

After over a year of effort, it is only now beginning to dawn upon those having responsibility for this work that housing cannot—as was

hoped—furnish quick employment to thousands of unemployed workers; that it is a slow process; that it is fraught with great difficulty.

The experience of the Government has shown conclusively that the main means relied upon to start the construction industry going, viz., private housing enterprise with Government loans is a delusion and a snare.

PRIVATE ENTERPRISE FAILS TO RESPOND

With enthusiastic energy and a devotion to duty that should have resulted in greater achievement, the head of the Housing Division for months has been travelling from one part of the country to another seeking to stimulate the citizens of different communities to become interested in organizing housing projects for their communities and starting slum clearance schemes. He has been whipping up flagging interest and seeking to energize these efforts—but the results achieved have been so meagre as to be almost pathetic.

The situation is thus summed up by the *Architectural Forum*:

For four months the Government's Housing Division of the PWA was hoping that private initiative operating limited-dividend corporations would produce the requisite projects, would come with plans and property, financial set-ups and proof of needs. Some 300 applications for loans were made, weighed and (in 90% of the cases) found wanting—wanting “enough equity,” “a demonstrated need,” “lower rents,” “suitable locations,” “better planning.” Proponents of projects did not know what the Government demanded for its loans. Only a clear statement of policy and requirements for approvals can stop architects and promoters from wasting their time and money developing schemes that will not qualify for Government loans.

Only now, after over a year's experience in this field, have the officials at Washington waked up to the fact that there is no private money in the different parts of the country available for this form of enterprise; that the reasons that have kept funds for investment from seeking these channels in the past in normal times apply with equal, if not greater, force today.

DIRECT ACTION

Realizing that little if any housing was likely to result through these channels, Washington decided a few months ago to take the bull by the horns and undertake housing projects directly through their own agency and no longer rely upon local agencies which might be formed in different parts of the country. This was a very complete abandonment of the policy followed up to that time.

That it was a complete abandonment, also, of accepted theories and principles of Government and did serious violence to American institutions is obvious upon the slightest contemplation.

That the Federal Government should invade, not merely the fields of trade but even of the municipalities throughout the country, and go into a given community and with Federal funds, taken from the citizens of other parts of the country through the taxing power, proceed to develop housing enterprises to serve as the homes of individual families marks a most astounding departure from accepted principles of Government—not only of this country but of practically every country.

We have yet to be informed of any country in any part of the civilized world where such a practice has been followed. It is true that in England and throughout Europe Government-aided housing has been in vogue for some years and Government-housing has been an accepted practice in many countries; but we know of no country where the Federal Government has undertaken this work directly. What has been done has been to grant subsidies, to make appropriations—sometimes to very large amount—to the local authorities to undertake housing schemes. But there is no instance yet that we know of where the Federal Government has actually gone into a locality and done this work.

This radical step on the part of the Government has many serious aspects and raises questions that certainly were not raised in Congress when power was granted to the Federal Government to expend public funds for housing work. While it is true that the Act of Congress did empower the President to set up various agencies to enable him to carry out the intent of the law, it is quite evident from the debates that were had at the time that there was no thought in the minds of anyone then—not even the President, himself, or his advisers—that there was any serious likelihood of the Federal Government's actually undertaking the business of building, owning and managing private residences and multiple dwellings in different communities throughout the country.

THE OPPOSITION MANIFESTS ITSELF

Under these circumstances, it is not surprising that much public criticism should have greeted the announcement of the Government that it was about to embark upon the building and operation of residential enterprises to be let to private individuals and families throughout the country.

Representative Hamilton Fish, Jr., of New York, one of the leaders of the political opposition in Congress, was quick to seize upon this decision as a further illustration of the socialistic tendencies of the New Deal and as indicating that the Administration was "verging toward State socialism".

Commenting on this decision of the Government, Mr. Fish said:

The Democratic Administration was not elected on any such platform. The American people did not and would not vote for state socialism and it is wholly un-American and unfair to the public under the subterfuge of stimulating industry and relieving unemployment. The Federal Government has no more right to engage in the ownership, construction and operation of apartment houses than it has in any other private business. It might just as well become the butcher, baker, candlestick maker or undertaker.

If the policy of the Administration is to Sovietize industry, the issue had best be presented to the American people at once. What has become of the democratic principles of Thomas Jefferson, who stood for liberty of the individual, private enterprise, and the least possible interference by governmental bureaucracies?

There are a number of private concerns whose plans for slum clearance have been approved by the State Board of Housing in New York whose projects have been held up by red tape at Washington for almost a year.

If Secretary Ickes proceeds as indicated in the public press, by incorporating a Federal housing corporation and placing the Federal Government in competition with legitimate private enterprise, it means further delay in slum clearance, additional bureaucracy and actual state socialism.

Shortly after the announcement of this new governmental policy was made, the New York Chamber of Commerce placed itself on record by formal resolution as opposed to any such radical departure from established principles of government—stating that it was "opposed to the creation of a Federal real estate corporation, or other governmental body to engage in the construction of modern housing projects for slum areas, believing that governmental undertakings in this field of private enterprise will not promote the national welfare or the best interests of the municipalities concerned".

It added that, while the members of the Chamber were anxious to see business recovery take place, they felt that the engagement of the Government in an operation of this character would be more detrimental than beneficial, pointing out that the Federal Government is so far removed from the many complicated social and economic factors involved in slum clearance in the various municipalities where this problem exists that the undertaking would possess more hazards than would be incurred by a state or municipal enterprise.

A FEDERAL HOUSING CORPORATION

Public Works Administrator Harold L. Ickes the end of last November announced the organization of the Federal Emergency Housing Corporation—now known as the Public Works Emergency Housing Corporation—and the election of officers and the adoption of by-laws permitting the Corporation to proceed with its purposes. Secretary Ickes is President of the Corporation, the Vice-President is Secretary of Labor, Frances Perkins, The Treasurer is Assistant-Secretary of Agriculture, Rexford G. Tugwell. The directors of the Corporation are Secretary Ickes, Secretary Perkins, Assistant Secretary Tugwell, Robert D. Kohn, Director of the Housing Division of Public Works Administration and Col. H. M. Waite, Deputy Administrator of Public Works.

The objects of the Corporation as stated in the announcement are to “assist public bodies and other organizations in slum clearance and the erection of low-cost housing projects and to engage directly in such activities”.

At the same time announcement was made that the sum of \$100,000,000 had been allotted by the Public Works Administration to the Federal Emergency Housing Corporation to be expended by it—the money to be used for slum clearance and low-cost housing projects throughout the country.

How little realization Washington had of the problems that it was attempting to deal with—even after a year’s experience with the problem—is evidenced by the statement made on this occasion by Mr. Ickes. Without regard to whether different cities throughout the country needed to undertake slum clearance projects or not, he announced as the Government’s policy that if owners of real estate where slum clearance projects were contemplated asked too high prices for their land, Washington would move on to other cities where land values were less, adding that “there are plenty of cities willing to do the decent thing in regard to land values”.

We are frank to confess that we had heretofore supposed that slum clearance projects should be undertaken only in those communities where there were slums and where the conditions were so bad that this radical surgical operation needed to be performed—but apparently things are ordered differently at Washington.

Evidently fearing political and other opposition from owners of existing buildings throughout the country, the Administration was careful to announce at this time that the housing projects to be undertaken by the new Federal Corporation would be limited to low-income

groups and to slum clearance work and that the new dwellings would be restricted to occupancy by people of low incomes and rented to them at prices that they can pay, thus stimulating the building industry without encroaching in any way on private enterprise.

THE GOVERNMENT'S POLICY

Shortly after the announcement of the incorporation of the Public Works Emergency Housing Corporation, Secretary Ickes found it necessary to issue a formal statement redefining the policy of the Housing Division. In this statement he said:

The Public Works Administration will continue to lend on slum clearance operations and low-cost housing projects sponsored by limited-dividend corporations.

Such corporations have a distinct advantage in certain fields of activity. It is the intention of the Public Works Administration to take the initiative in slum clearance and low-cost housing projects in the interest of unemployment relief and recovery, only in cases where local agencies are unable to do so or unwilling to act promptly.

Such projects will be undertaken by the Public Works Emergency Housing Corporation upon invitation from local officials or groups of representative and responsible citizens, or civic organizations. Where the Housing Corporation initiates, local groups and agencies will be utilized to the fullest extent possible in the acquisition of sites, design, construction, and operation of the projects. In any case, the cooperation of responsible local groups and agencies is an essential.

In the course of recovery it may be assumed that existing vacancies will disappear and that there will be a demand for vacant sites and for urban and suburban houses. By confining the work of the Emergency Housing Corporation to the clearance of slums and the production of a like number of low-cost units, limited as to rentals and restricted as to occupancy to the low-income groups, the administration can stimulate one of the basic industries without encroaching upon its field of future opportunity.

Except in unusual cases the aim of the Public Works Administration in all municipal housing projects would be to confine the work of unemployment relief to slum clearance. Preference will be given to projects located in congested areas occupied by obsolete structures in an advanced stage of decay or dilapidation. Preference likewise will be given to sites closely related to opportunities for employment and to sites well studied in relation to a long term regional plan.

To qualify as a low rental project in a given case the range of rentals proposed must correspond to those currently paid in the community by that family income group for which the project was designated. Municipal housing projects and those presented by housing authorities must show a rent level so far below any commercially produced as not only to put it outside of any possible competition with existing decent housing, but unquestionably meeting the needs of an income group never before accommodated.

DICTATORSHIP

If anyone thinks that the United States is still operating under a democratic system of government, we commend to his attention the methods by which this radical departure from the fundamental principles of our Government has been brought about.

Mussolini today or Napoleon at the height of his power could not have done it more easily.

Last November the President of the United States simply issued the following "Executive Order":

Executive Order Designating and Establishing the Public
Works Emergency Housing Corporation as an
Agency Under Title II of the National
Industrial Recovery Act.

By virtue of the authority vested in me under Title II of the National Industrial Recovery Act, approved June 16, 1933 (Public, No. 67, 73d Cong.), and with a view to increasing employment quickly :

(1) I hereby designate and establish the Public Works Emergency Housing Corporation, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the Housing Corporation), as an agency under title II of said act, with the powers and for the purposes hereinafter set forth.

(2) The Housing Corporation is authorized and empowered to construct, finance, or aid in the construction or financing of any public-works project included in the programme prepared pursuant to section 202(d) of said act.

(3) The Housing Corporation is authorized and empowered to acquire by purchase, or by exercise of the power of eminent domain, any real or personal property in connection with the construction of any such project.

(4) The Housing Corporation is authorized and empowered to sell any security acquired or any property so constructed or acquired or to lease any such property with or without the privilege of purchase ; provided, that all moneys received by the Housing Corporation from any such sale or lease shall be applied in the manner provided in section 203 of said act.

(5) The Housing Corporation is authorized and empowered to take any and all such action, do any and all such things, and exercise any and all such powers as may be or appear necessary, suitable, or expedient in connection with the foregoing.

FRANKLIN D. ROOSEVELT

The White House

Thus was established, practically by the stroke of a pen, a corporation with three stockholders, with \$100,000,000 to begin with, and with power to build, operate and rent dwellings to the people of the United States.

While the Administration undoubtedly expected many obstacles and difficulties in their path in this attempt to invade the field of private enterprise and the functions of the local authorities, it was considerably surprised to find the first serious opposition coming from a totally unexpected quarter.

Had private property owners started an action to test the powers of the Government to do this in the highest judicial tribunal of the country, the United States Supreme Court, the White House probably

would not have been surprised, and would have been prepared to meet that issue—an issue which it probably will have to meet ultimately.

THE QUESTION OF LEGALITY

To have the Comptroller General of the U. S., however, rule that the Government's action in setting up the Emergency Housing Corporation was unconstitutional and that the funds allotted to that purpose could not be expended for it, was rather a staggerer.

Early in January such an announcement was made by the Comptroller General of the United States.

The issue arose when the Public Works Administrator inquired of the Comptroller General whether the newly established Public Works Emergency Housing Corporation could make expenditures of small amounts to obtain options on land where slum clearance and housing projects were contemplated.

The Comptroller General ruled that this could not be done and at the same time made a broad ruling that the entire project as contemplated by the Administration was illegal, and that Government funds could not be expended for such purposes.

His ruling addressed itself to certain technical aspects of the situation, to the power of a corporation, created as this was, to disburse Government funds that had been appropriated by Congress under totally different conditions. It did not address itself primarily to the broad question of governmental policy and of constitutionality that was involved.

The principal contention of the Comptroller General was that "appropriated monies" remained appropriated monies subject to the usual safeguards surrounding appropriations by Congress, regardless of whether their disbursement was made by a Federal Department or a corporation set up under an interpretation of an Act of Congress, adding that

In the present matter, however, inasmuch as the powers and authority outlined in the articles of incorporation appear to contemplate operation beyond statutory authority and which condition unless rectified in advance of operations may lead to the incurring of obligations which may not lawfully be paid from the appropriation, it seems highly desirable that these things be brought to attention in order that they may be worked out before there is opportunity for serious complications.

He also objected to the corporate term "perpetual" as applied to the Housing Corporation when the basic act under which the President got his powers enabling him to establish the corporation, stipulated the termination of that authority in two years.

This bombshell thrown into the path of the Administration's housing programme caused much consternation in Government circles. It was at once announced that ways would be found to overcome the Comptroller General's opposition and it was strongly hinted that even he would respond to White House representations and change his views.

Those who know their Washington expressed extreme skepticism at the prospect—the Comptroller General being known as a person who seldom if ever abandons a position once taken. That these observers were right later developments have proved; for it was nearly two months later before the situation was adjusted and only through the medium of an opinion by the Attorney General upholding the Constitutionality of the Emergency Housing Corporation—but pointing out that some of the questions raised by the Comptroller General were undoubtedly as stated by him. Probably the most important aspect of the Attorney General's opinion was that payments for options for land which the Emergency Housing Corporation desired to acquire are not subject to the review of the Comptroller General and that the President's decision is final in such matters.

Since that opinion was rendered the country has heard no more on this subject, as the Comptroller General has apparently acquiesced in the Attorney General's opinion.

Just how "the quills upon the fretful porcupine" were made to lie down is undisclosed. Perhaps we should not refer in this light and irreverent fashion to so important a public official as the "watch dog of the public Treasury". We are sure that no one in Washington officialdom would dare to do so!

So, after this slight flurry which, incidentally, has held up further progress in housing for two months, Washington is proceeding to carry out its plans.

AN ADMINISTRATIVE SHAKE-UP

That the Administration is counting upon the Emergency Housing Corporation to produce results is evidenced by the recent "shake-up" in the housing staff and the appointment of a practical administrator in the person of Horatio B. Hackett, a Chicago architect, to take charge of the actual administrative work of the corporation. Those who know Mr. Hackett and his work in the architectural firm of Holabird and Root in Chicago since 1922 look forward to some real results at last. That the Government's housing work needs to have modern methods of business organization applied to it is evidenced by the fact that nearly a year had elapsed since the work was started

before a really business organization has been set up. Up to that time, while there was much enthusiasm and zeal and energy displayed, efficiency of administration was honored more in the breach than in the observance.

While the Government is stressing at the present moment the results to be achieved by "direct action" through the efforts of the Emergency Housing Corporation, it has not abandoned its hope that it may be able through the other methods which it has heretofore followed to bring about the development of a number of housing projects.

PROJECTS UNDER WAY

There are now under construction through Government loans to private corporations 5 housing projects. These are: The Boulevard Gardens, a development in Queens, for which \$3,450,000 of Government money has been allocated; the Hillside Development in the Bronx, for which \$5,060,000 has been allocated; the Euclid small house development at Euclid, Ohio, near Cleveland, for which \$1,000,000 has been allocated; the Juniata Park Development for the employees of hosiery factories in Philadelphia, with an allocation of \$1,045,000; and finally a small development in a town of 2400 inhabitants at Altavista, Virginia, for which the sum of \$84,000 has been appropriated. These 5 projects according to official advices represent the entire group of housing projects now under construction with Government funds. In addition, there should be added the Knickerbocker Village project on New York's Lower East Side for which funds were allocated by the R.F.C. before the housing Division undertook its work.

In addition to these projects, there are 7 other projects, for which a total of \$12,498,000 has been allocated. These are now either under contract or contracts are pending but no final action has been taken on them, and, of course, no work of construction has begun. Of these 7 projects, 3 are comparatively small projects—the amount appropriated for them being well under a million. These projects are the Neptune Gardens project in East Boston; a project at Raleigh, North Carolina; the Neighborhood Gardens scheme at St. Louis, for which ground was recently broken; a project in Astoria, Long Island, in New York City; the Hillcreek Homes project in Philadelphia; and a project in Richmond, Virginia.

With the exception of 4 projects that were developed by the Housing Division and which have now been turned over to the Public Works Emergency Housing Corporation to carry out, this represents the pres-

ent budget of the Administration so far as low-cost housing or slum clearance projects are concerned.

In addition to the \$100,000,000 worth of projects the Government is planning to undertake through direct action and under which the Public Works Emergency Housing Corporation will build apartments and rent them, the Government is also adhering to its earlier methods and will grant 30% of the cost of labor and materials on an approved housing project to a public Housing Authority that builds to rent, and will lend to such an Authority the remainder of the total cost of the project on security of the bonds issued by that Authority. And, finally, a private corporation whose dividends are limited may build and rent apartments and the Government will lend to it 85% of the total cost of the project.

If the experience of the past year is a safe guide—and particularly the experience in Cleveland—it would seem as if there were not likely to be many local projects developed through private or local enterprise. Whatever is done is likely to be done by the Federal Government direct.

“HOUSING AUTHORITIES” IGNORED

Although the Government expended much energy in the effort to secure the enactment of laws authorizing the establishment of Housing Authorities in the various states, and although 30 such Housing Authorities* have been established, there is little likelihood that the Government will utilize this mechanism.

As the Housing Administration is strongly prejudiced in favor of dealing with municipalities or municipal agencies rather than with private groups, there is every likelihood—so far as one can judge from the past actions of the Administration—that such housing developments as may come will come either directly through the work of the Federal Housing Corporation itself or through local municipal housing bodies working in cooperation with the Housing Administration at Washington and receiving from them large grants of public funds—in effect, 100% of the money needed; 30% as a direct subsidy or grant and the remainder as a loan secured by bonds issued by the municipal authorities.

QUO VADIS?

What is to be the outcome of it all? Is this new path the Administration has adventured upon to prove like some of the other avenues

* According to the ARCHITECTURAL FORUM these cities are: Atlanta, Boston, Chicago, Cincinnati, Cleveland, Denver, Detroit, Louisville, Milwaukee, Minneapolis, Nashville, New Orleans, New York City, Omaha, Savannah, Toledo, Washington, D. C., Youngstown.

that have been explored and become a permanent highway of governmental endeavor or merely a temporary winding footpath—a short cut to returning prosperity as originally proposed?

These “temporary” expedients—none of which was to last more than two years—have been tolerated by the people of America only as temporary expedients necessary to get the country out of the Depression. The Administration now declares them to be part of the permanent programme of the New Deal.

Is Government Housing to be similarly treated? That those in charge of the housing work believe so has been evident for some time past. Some of them have held the philosophy for years that it was the function of the Government to undertake the providing of the homes of the people. Whether they have learned anything in the past year to change their theories remains to be seen. The country has certainly had an object lesson before it of the futility and inefficacy of such effort.

At first, the American people were more than ready to go along with the President in what he was attempting to accomplish. They admired his courage. They welcomed his leadership. To many people and to business especially any remedy, no matter how desperate, was worth trying. Today the situation is different. The country has had over a year’s experience of the New Deal. There are signs abroad that the people are getting restive under its regimentation. They are beginning to ask themselves whether they may have not paid too dear for the slowly returning prosperity—a prosperity which they find returning to other great countries without any of the socialistic schemes put into practice here.

An increasing number of people are beginning to believe that the President’s Recovery Programme “isn’t working because it is not workable, that many of the policies run contrary to fundamental economic law, sound business practices and plain common sense, and particularly to the spirit of American institutions and the convictions and traditions of the American people”.

REACTION AGAINST THE NEW DEAL

The American public, if we read the signs of the times aright, are getting very tired of “Tories”, and “chiselers”, and “dead cats” and “witch-doctors”, “bank-wreckers”, and “traitors” and “cracking down”, and the other epithets that have emanated from some of the high priests of the New Deal.

This reaction noticeable with regard to the whole Administration policy is beginning to manifest itself in connection with its housing

efforts. There are rumblings from all parts of the country, criticisms coming to the surface from the friends of the Administration who heretofore have anticipated great results from this housing endeavor. One of these friendly critics said a few months ago:

The Federal housing programme amounts to little more than good intentions on paper. The disillusionment stage has been reached. Recriminations between Federal and local agencies, between architects and engineers, between planners and builders, may have relieved feelings but it has not helped solve the problem. * * * The trouble is that virtually the entire burden of finding a way out has been placed on Washington. Sponsors of local projects can produce lovely plans. Architects and engineers have done their part. * * * What is needed is fewer folks who find housing an amusing plaything and more who have a strong social viewpoint who can find some way to cut the Gordian knot.

Fortune, in a comprehensive article surveying the efforts thus far made by the Administration to deal with the housing problem, illustrates the extent to which the Government has gone into socialistic schemes by the development that has taken place in its housing policy, pointing out that "the great American housing problem, resisting a 'shot in the arm' of several hundreds of millions of Federal funds, paradoxically develops advanced socialism and relapses into coma".

After having stressed the efforts made by the Government and the failure of its first endeavors, it shows how it has developed into a socialistic enterprise—but even this has not been successful. After commending the personnel of those who have had the greatest share of responsibility in this work, *Fortune* adds:

It would, therefore, be pleasant to report that immediately upon the formation of the Housing Corporation the desperately needed fillip to industry followed, slum clearance projects blossomed like daisies in the Syrian desert after a spring rain and the whole complexion of the Housing Division changed. Unfortunately the precise opposite appears to be the case.

And further:

It is only fair to add that much of the confusion is due not to the Housing Division nor to the legal staff of the Department of Public Works but to the general inefficiency which characterizes the prosecution of most of the excellent intentions of the present Administration.

The Housing Division, originally quartered in a couple of small offices in the Department of the Interior, has now been moved into seven or eight offices without waiting room, without secretarial space, without facilities of any kind. The corridor outside its office doors is crowded with waiting contractors and architects and real estate men from Atlanta, from Omaha, from San Francisco, from Euclid, from New York. They stand there in dismal flocks. They take rooms in Washington hotels by the week, the two weeks, the month.

There is not so much organization as would be found in the administrative offices of the country's smallest business. There is merely turmoil. And in that turmoil a half-dozen devoted men sitting in small offices noisy with typewriters try desperately to operate a socialistic experiment in the capital of the greatest capitalistic country on earth. It is a picture worthy of Doré.

A careful student of housing approaching the subject with a more detached attitude than is usually brought to it and viewing it primarily from its economic background is Albert Farwell Bemis, a Boston manufacturer, who has given many years of his life to thinking about housing and, incidentally, some part of that time to writing about it.

CHINESE MEDICINE MEN

In a thoughtful article on the subject, published in the *Technology Review*, he sums up the Government efforts as follows:

Chinese doctors, according to old travellers' tales, used to stick pins into every part of a patient's anatomy in order to find and expel the demon who was causing the disease. In our Recovery legislation there is a conflict between avowed purposes and the means by which those purposes are to be fulfilled—between diagnosis and cure. The legislation aims to increase employment and purchasing power and to provide low-cost housing; but its provisions add to housing costs and real economic rents, and its grants, bonding, and employment conditions lessen, rather than increase, general buying power. It tends to perpetuate wastage inherent in present building methods already too large.

In his allusion to the practice of Chinese physicians in ancient times, we think that Mr. Bemis has put his finger upon the chief defect of the New Deal.

The present Administration has been characterized in many ways, but we have not yet seen it described in terms that seem to us to fit it most accurately—and that is, as the "Empirical Administration". The whole Government programme and policy seems to be one of trial and error, of opportunism, of groping after ways out of the present situation.

THE PRESIDENT URGED TO RETRACE HIS STEPS

Washington is in for a very sad awakening. Thus far it has given little heed to the difficult and perplexing problems it will find itself involved in when it comes to undertake the management of residential buildings nor the perplexing problems that arise in that management.

Had it been any agency other than Government, one would have expected that those embarking upon this undertaking would have availed themselves of the experience of the past. There is such experience available. During the War there were some Government housing enterprises which the Government not only developed but the management of which it was responsible for and which when the War ended it took over.

The experience that was had then of the impossibility of having satisfactory relations of landlord and tenant between Government officials and private individuals with votes, and with ready access to their Congressmen and representatives, demonstrated clearly that, in America at least, no matter what the circumstances may be in other countries, such a scheme was not suited to our institutions.

We doubt very much whether the present Administration has even heard of these difficulties. We feel confident that it has not sought information on the experience of the past—not the remote past either, but an experience that terminated only a comparatively few years ago.

It should be obvious to any person of intelligence that the building of private dwellings, of apartment houses, of residential buildings, to be rented to individual families, is not a field that Government can wisely fill.

We believe that it is already manifest to the President that the results anticipated from the Government's housing work have not been realized; that for reasons not anticipated—and perhaps not disclosed—the housing endeavors of the Administration have thus far been a failure.

As a friend of the Administration and as an ardent advocate of the cause of better housing, we would most earnestly urge the President to retrace his steps, to recognize that he has taken the wrong path and that housing and slum clearance have no part in the functions of the Federal Government.

It would be the part of wisdom to reach this determination *now*, and frankly and openly avow that what had been expected to prove a potent means of restoring prosperity has not proved to be such, and that Federal funds can be more advantageously expended in other directions, with far greater likelihood of restoring industrial activity.

We would most respectfully point out to the President that the experience of the past year indicates very clearly that the cause of housing is not being advanced by the efforts at Washington, but is being set back many years by the failure of those efforts.

REBUILDING A CITY

THE CLEVELAND PROJECT

The largest scheme and the most ambitious thus far scheduled to receive Federal funds is that of Cleveland Homes, Incorporated. At present writing this involves projects estimated to cost \$12,000,000.

Many things have happened since Cleveland first proposed dealing with, we shall not say its housing problem, but its real estate problem. For, that is what the Cleveland plan primarily is—an attempt to rehabilitate vast areas of “blighted districts”, very little of which can be accurately described as slums. The motives that have led to this movement are primarily business motives—conceived primarily as a means of starting the wheels of industry going and of providing employment for the vast number of its workers who are out of work.

Over a year ago the Cleveland movement was started. Even before the present plan of Government-aid to housing projects had been authorized, Cleveland was in the field for a loan of nearly \$5,000,000 from the Reconstruction Finance Corporation. A corporation known as Cleveland Homes, Incorporated, was organized in May, 1933 for this purpose—the leaders in this movement being a Cleveland architect, a millionaire construction engineer and the Director of the Cleveland Foundation, and an energetic and active member of its Council who had for some time espoused the cause of better housing.

The present movement had its origin in attention being called to Cleveland’s blighted areas by one of Cleveland’s leading architects, Abram Garfield, as far back as 1928 in a discussion of this subject before the Ohio State Planning Conference.

Two years later this matter was taken up by the bankers of Cleveland who called the attention of the Chamber of Commerce to these blighted areas and suggested that a study be made of the conditions to see whether some means could not be devised of doing away with them, as it was recognized that they were a liability to the community.

As a result of this action there was set on foot a study of the real estate situation in Cleveland that has probably never before been excelled in any American community. The nearest approach to it are the studies made in New York City 70 and 30 years ago, respectively, which for their time were quite as thorough-going as the present studies for Cleveland are today.

A REAL PROPERTY INVENTORY

As a result of the studies thus set on foot in Cleveland it was revealed that there were what were characterized as 7 Major Blighted

Areas, containing the lowest economic groups with a median rental of \$25 a month and covering 22 of the 71 square miles of the city. They contain a population of 321,000 distributed in about 75,000 families—approximately a third of the city's entire population.

This Real Property Inventory, which has since become quite famous as a unique work in the history of the science of city building in America, is serving as the basis of wider and more extensive surveys of the same kind throughout the country. There have been few occasions in this country where so many facts with regard to the conditions existing in a large city have been assembled and presented in constructive and striking fashion.

Following these studies, the people of Cleveland who have always shown great public spirit and keen civic consciousness—were given by the leaders in civic affairs in their community a real knowledge of their city. For the first time the citizens of Cleveland can be said to have really known their city.

Out of all this there gradually grew a belief in the minds of the leading men in Cleveland, that it would be greatly advantageous to their community if—following the much quoted advice of Burnham to “make no little plans”—they should present to their fellow citizens the possibility of rebuilding a large part of the city through the use of Federal funds, thus putting thousands of Cleveland's workers back to work and setting the wheels of industry going once more.

A year ago Cleveland's immediate goal was announced as the starting of work on 6 different housing projects involving a total cost of about \$30,000,000, with an ultimate goal of spending over a period of years \$285,000,000, rehabilitating the blighted areas and rehousing the 300,000 people who dwell in them.

The scheme as thus visualized was by no means limited to housing but was a veritable replanning of the major part of a great city. Those responsible for it contemplated the formation of a central corporation acting as a supreme city planning agency which would buy more land than was needed for rehousing and use it to create parks and playgrounds, paying the city whatever might be lost in taxes, eliminating some streets and widening others—in a word, generally replanning that part of the community.

THE PLAN “SOLD” TO THE PEOPLE

There has probably never been any city in the country, not even Chicago, where a city plan has been “sold” to the people of that community as effectively as was done in this case in Cleveland. The

plan was backed with enthusiasm by all types of organizations and by the public as a whole. Its details were front page news for many months and it commanded the support of the leading citizens of the community.

Through its energy and foresight, Cleveland was in a position to avail itself almost immediately of the new powers conferred upon the Federal Government under the Act of last July, having joined with other cities in urging upon the Ohio legislature last summer the enactment of a law authorizing the creation of a Housing Authority so as to make it possible for different communities in Ohio to take advantage of the Federal opportunity. Ohio was the first state to pass such a law. Application was promptly made to the Public Works Administration for a loan of \$12,000,000 to provide low-cost housing in the worst slum areas in Cleveland. A limited-dividend corporation was to be organized in order to undertake a series of housing developments, including portions of projects already submitted by the three main enterprises that had been created to deal with the housing problem.

Originally, the sponsors of this scheme agreed to provide an equity of \$2,000,000 on condition that Washington furnish \$12,000,000—it having been estimated that the three projects proposed would cost not more than \$14,000,000.

The housing which it was proposed to construct it was estimated could be rented at an average of between \$8 and \$8.50 per room per month—that is, for a white collar tenancy. The projects provided originally for 2 and 3-story apartment buildings, 2-story rows of fire-proof flats and single-family row houses. The slum areas to be cleared occupied 33.7, 61 and 19.5 acres, respectively, near the center of what was designated as the slum district of Cleveland. It was estimated that the projects would give employment to 2,500 men for a year on the site and that many others would be employed in the manufacture of the materials to be used in the projects.

THE GOVERNMENT TAKES OVER

Just before the end of the year announcement was made from Washington that the newly organized Federal Emergency Housing Corporation had taken over the Cleveland project and that the Federal Government would carry out directly through its own efforts the extensive low-cost housing and slum clearance projects which had been approved and to which the sum of \$12,000,000 had been allocated by the Public Works Administration.

In this announcement Public Works Administrator Ickes, announced as the reason for the Federal Government's undertaking this work through the Emergency Housing Corporation, the fact that the attempt by citizens of Cleveland to raise the necessary \$2,000,000 equity had not been successful, notwithstanding that a thorough-going and exhaustive effort to this end had been made by those responsible in Cleveland. He pointed out further that the financial situation in Cleveland and the financial limitations of those who could be called upon to participate in the financing were such that local participation could not be obtained in a form acceptable to Washington.

The Cleveland Homes, Incorporated, the limited-dividend housing corporation that had been formed to carry out the project, has been taken over *in toto* by the Federal Emergency Housing Corporation, its Board of Directors becoming an Advisory Committee to the Federal authorities.

In an agreement entered into between the Cleveland group and the Emergency Housing Corporation, Washington undertakes to construct new housing in Cleveland and to provide funds therefor in amounts ranging from \$3,600,000 to \$12,000,000—the total amount provided. Secretary Ickes' announcement points out that beside making wide-spread building trades employment possible, this construction will open the way to housing of a class and at a price believed non-existent in Cleveland at present. The scheme will consist of two-story and three-story structures as first planned, to rent from \$8 to \$8.50 per room per month, and the Emergency Housing Corporation has every belief that rents under these figures can be achieved.

THE FIRST INSTALMENT

The first portion of the work to be undertaken is the project that is comprised in an area of about 16 acres located between East 22nd and East 30th Street and Cedar and Central Avenues providing about 3500 rooms at an estimated cost of \$3,600,000. The Emergency Housing Corporation takes over all of the plans thus far developed and is reimbursing the Cleveland organization for expenses heretofore incurred.

The project will provide for 900 apartments and offices and stores. It is hoped that rentals can be brought down to between \$6 and \$7 per room per month. The buildings are to be fireproof throughout. They will face on courts and parkways in groups and will occupy about 31% of the land, the remaining space being devoted to parks and playgrounds, driveways and streets. It is expected that the land and the

buildings will be tax-free so far as Cleveland is concerned and that the Government will pay the city for the use of water mains, sewers, street lighting equipment, garbage facilities, street cleaning, policing and other services.

This question of local taxation and how to meet the cost of local services of this character proved to be a very serious difficulty in some of the War housing schemes—notably in Bridgeport and Philadelphia. We hope that it can be settled in Cleveland on an equitable basis and that the disputes that arose in the past between the Government and the city will not be repeated in this instance. There are bound to be points of friction between the Federal Government and the city authorities in a project of this kind. Retaining the Cleveland group as an Advisory Committee should go far to help smooth out such difficulties when they arise.

Cleveland, therefore, is likely to afford the first example of Government-housing in the United States in which the Federal Government pays the entire cost of the project, builds the houses, rents the rooms and manages the buildings resulting from its efforts.

How it will work out remains to be seen.

SMALL POTATOES FOR THE UNITED STATES

At the other end of the scale from the \$12,000,000 replanning scheme of Cleveland's blighted areas and the \$25,000,000 slum clearance projects scheduled for New York City is an allotment by the Government of the small sum of \$84,000—Washington will probably find difficulty in keeping track of so small a sum—for the building of 50 small houses in the little settlement of Altavista, Virginia.

This village, about 30 miles south of Lynchburg, according to the last Census had only 2,460 people. A rayon factory has recently come there and its promoters have found that there were no adequate quarters for its employees—many of whom were compelled to go long distances to obtain housing facilities. Therefore, they turned to the Great White Father at Washington and asked him to build the houses for their employees which they themselves ought to build.

The Government has loaned \$84,000 and a limited-dividend corporation, presumably financed by the industry, proposes to contribute the remainder of the \$100,000 estimated to be needed as the total cost, in the form of a cash equity of \$16,000, repaying the loan to the Government at 4%.

The scheme calls for 50 1-story single-family frame dwellings, each containing four principal rooms with bath, hot water and storage tank

facilities. Forty houses are estimated to cost \$1312 each and 10 additional houses are to be built to cost \$1880 each. The purchase price of the land is \$16,000. Apparently, the land has been considered the equity by Washington. The houses are to rent for \$4 per room per month.

In commenting on the decision of the Government to make this loan, the head of the Housing Division called the present conditions in Altavista "deplorable", it being pointed out that some of the workers in the town travel as far as North Carolina over the week-end to their homes and that those living in Altavista often occupy crowded and insanitary buildings.

Just why the Government should have selected this small community, hardly large enough to be dignified even as a village, as a proper use of Government funds in their housing work is a little hard to understand.

The name "Altavista" somewhat freely translated could be interpreted to mean "High View". It would almost seem as if speaking in Masonic language that someone had been "given the high sign"—in this instance. It is a little difficult to understand, how otherwise, the Federal Government should have taken this matter up.

It is a beautiful illustration of the New Dispensation. There are probably 100,000 settlements like Altavista in the United States—little villages with a few industries where the workers in those industries could be better housed, and where, sometimes, they need additional housing. Such housing ought to be provided not by the Great White Father at Washington but by the people who are directly interested, the employers themselves.

Just why the urban dwellers of great centers of population like New York, Chicago and other cities should be taxed to pay for this kind of project is beyond human understanding.

A WIDE RANGE OF EFFORT

The various projects which the Government has thus far determined upon have a wide range of interest and represent many aspects of the housing problem.

They range from the Cleveland project which rebuilds some 16 acres in the heart of the city, as part of a larger scheme for the reclamation of a vast blighted area involving \$12,000,000, to the \$25,000,000 slum clearance fund allocated for use in New York City, to the 50 single-family houses for workers in the rayon industry in a Virginia village of 2400 inhabitants; to the negro apartment buildings to be erected on the site of a slum district in Atlanta occupying 6 city blocks

with another project in the same city occupying most of the site formerly occupied by a slum covering 10 city blocks and now to be occupied by apartment houses for the white collar class, including college dormitories; to apartment houses with many social adjuncts developed for members of a hosiery workers union in Philadelphia; to large white collar developments in Bronx and Queens; and finally to the financing of home builders themselves in Euclid, Ohio, with the Government providing 100% of the money enabling owners with vacant lots on their hands who wish to build their own homes to do so under favorable conditions.

Out of all this there should come interesting results. If the architects have done their jobs well, some new ideas should appear in the art and science of apartment house design. With all the time and effort that Washington has put into the work, there should come new knowledge and new standards with regard to the financing of enterprises of this kind.

As a contribution to the problem of slum clearance we see little of hope.

What will happen when the new projects are occupied and have become old houses 10 or 20 years from now is another story.

How successful the Government will be in managing property of this kind remains to be seen. The experience of the past would seem to indicate that as Governments go, in this country at least, Governments are not so constituted as to make for success as managers of real property and renters of homes.

THE GOVERNMENT PROJECTS IN DETAIL

The following list gives a summarized statement of the housing projects now under construction by private enterprise aided by Government funds and those about to be constructed by the Federal Government through the Emergency Housing Corporation.

It also gives those housing projects now under contract or for which contracts are pending and on which no final action has been taken.

This information is based on official information furnished by the Public Works Emergency Housing Corporation under date of May 26th. As the situation is constantly changing, we realize that there may be one or two details in which this list is not strictly accurate and that there may be additions to it and possibly subtractions from it. It is, however, sufficiently accurate to give our readers a picture of what is happening.

PROJECTS NOW UNDER CONSTRUCTION

	<i>Allocation</i>
1. Boulevard Gardens, Inc. Woodside, Queens Borough, N. Y. C. Applicant—George C. Meyer. Architect—T. Engelhart. 10, 6-story fireproof apartment houses. 1632 families—5644 rooms. Rental—\$11 per room per month. Land Cost—\$1.84 per square foot. Building Cost—\$4.70 cents per cubic foot. Percentage of Land Covered—27%.	\$3,450,000
2. Hillside Housing Corporation, Bronx, N. Y..... Applicant—Andrew J. Eken. Architect—Clarence S. Stein. 4 and 6-story fireproof apartment houses. 1435 families—5740 rooms. Rental—\$11 per room per month. Land Cost and Building Cost—not given. Percentage of Land Covered—34%.	\$5,060,000
3. Euclid Housing Corporation—Euclid, Ohio..... Applicant—C. R. Ely, Mayor, Euclid. Architect—George B. Mayer. 300 semi-fireproof 1 and 2-story small houses. 300 families—1800 rooms. Rental—\$10 per room per month. Land and Building Costs—not given. Percentage of Land Covered—not given.	\$1,000,000
4. Juniata Park Housing Corporation, Philadelphia..... Applicant—John W. Edelman, Full Fashioned Hosiery Corporation. Architect—W. Pope Barney. 3-story semi-fireproof apartment houses. 292 families—1074 rooms. Rental—\$8.40 per room per month. Land and Building Costs—not given. Percentage of Land Covered—not given.	\$1,045,000
5. Altavista Housing Corporation, Altavista, Va..... Applicant—H. M. Lane, Altavista. Architects—Johnson & Brannon. 50 1-story single-family frame dwellings. 50 families—200 rooms. Rental—\$4 per room per month. Land Cost and Building Cost—not given. Percentage of Lot Covered—not given.	\$ 84,000



PROJECTS UNDER CONSTRUCTION BY THE PUBLIC WORKS EMERGENCY HOUSING CORPORATION

1. Cleveland Homes, Inc., Cleveland, Ohio..... Architect—Walter R. McCornack. 3-story apartments. 2-story fireproof row-flats and row-houses. 900 families—3,500 rooms. Rental—\$8.50 per room per month. Land Cost and Building Cost—not given. Percentage of Land Covered—not given.	\$3,600,000
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|---|-------------|
| 2. Indianapolis Community Planning Committee..... | \$4,460,000 |
| Applicant—J. R. Beckett. | |
| Architects—Wm. Earl Russ & Merritt Harrison. | |
| 200 1- and 2-story single-family dwellings, and | |
| 2-story and 3-story semi-fireproof apartments. | |
| 200 families—600 rooms. | |
| Rental—\$8.33 per room per month. | |
| Land Cost and Building Cost—not given. | |
| Percentage of Land Covered—not given. | |
| 3. Techwood, Inc., Atlanta, Georgia..... | \$2,600,000 |
| Applicant—C. F. Palmer. | |
| Architects—Burge & Stevens. | |
| Fireproof apartment buildings. | |
| 800 families—2125 rooms. | |
| Rental—\$7.50 per room per month. | |
| Land Cost and Building Cost—not given. | |
| Percentage of Land Covered—not given. | |
| 4. University Housing Corporation—Atlanta..... | \$1,212,500 |
| Applicant—C. F. Palmer. | |
| Architects—Burge & Stevens. | |
| 3-story fireproof apartment houses. | |
| 800 families—2880 rooms. | |
| Rental—\$4.50 per room per month. | |
| A Negro housing development. | |
| Land Cost and Building Cost—not given. | |
| Percentage of Land Covered—not given. | |



ALLOCATIONS RESCINDED

- | | |
|--|-------------|
| 1. Spence Estate Housing Corp., Brooklyn, N. Y..... | \$2,025,000 |
| 2. Hutchinson Suburban Housing Assn., Hutchinson, Kansas.... | \$ 40,000 |
| 3. Lane Gardens Apartments, Cincinnati..... | \$1,980,000 |
| 4. Harms Park Housing Corp., Chicago..... | \$1,333,000 |
| 5. Roosevelt Terrace Apartments, San Francisco..... | \$3,230,000 |



PROJECTS UNDER CONTRACT OR WITH CONTRACT PENDING BUT ON WHICH NO FINAL ACTION HAS BEEN TAKEN

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|--|-------------|
| 1. Neptune Gardens, Inc., East Boston, Mass..... | \$3,500,000 |
| Applicant—J. S. Draper. | |
| Architects—Blackall, Clapp, Whittemore & Clarke; Sturgis
Associates and John Meserve. | |
| 2-story, single-family and double houses, and | |
| 3-story fireproof apartment houses. | |
| 700 families—3168 rooms. | |
| Rental—\$8.50 per room per month. | |
| Land Cost per square foot—85¢. | |
| Building Cost per cubic foot—35¢. | |
| Percentage of Land Covered—17%. | |

2. Boylan Realty Co., Raleigh, N. C..... \$ 200,000
Applicant—R. T. Boylan.
Architects—Linthicum & Linthicum.
3 non-fireproof 3-story apartment houses.
54 families—180 rooms.
Rental—\$10 per room per month.
Land Cost and Building Cost—not given.
Percentage of Land Covered—not given.
3. Neighborhood Gardens, St. Louis..... \$ 640,000
Applicant—J. A. Wolf.
Architects—Hoener, Baum & Froese.
3-story fireproof apartment houses.
252 families—641 rooms.
Rental—\$9.67 per room per month.
Cost of Land and Buildings—not given.
Percentage of Land Covered—not given.
4. Hallets Cove Garden Homes, Astoria, N. Y..... \$2,975,000
Applicant—J. C. Stewart.
Architects—Fellheimer & Wagner.
31 6-story fireproof apartment houses.
680 families—3000 rooms.
Rental—\$10.50 per room per month.
Land Cost and Building Cost—not given.
Percentage of Land Covered—35%.
5. Hillcreek Homes Corporation, Philadelphia..... \$1,290,000
Applicant—Donald A. Rogers.
Architects—Thomas & Martin.
6-room private dwellings, and
3-story fireproof apartment houses.
1620 rooms.
Rental—\$7.50 per room per month.
Land Cost and Building Cost—not given.
Percentage of Lot Covered—not given.
6. Sunshine Apartment Corp., Richmond, Va..... \$ 663,000
Applicant—John S. Christian.
Architects—Carneal, Johnston & Wright.
2-story non-fireproof apartment houses.
296 families—1184 rooms.
Rental—\$5.50 per room per month.
Building Cost and Land Cost—not given.
Percentage of Lot Covered—not given.

A BRAVE EXPERIMENT

THE SUBSISTENCE HOMESTEADS

What is really a brave experiment is the great adventure that is now being tried out in the United States by the present Administration in the effort to send people back to the land.

There have been many such efforts in the past in our country as well as in many others, but this present-day attempt differs radically from anything of this kind that has heretofore been done.

As expressed by the man who is heading this work, it means "to many an escape from the city and an opportunity to attain a better standard of living as well as a defense in times of unemployment. It envisions the development of a new way of life in which many of the advantages of the country and the city will be available to selected families best adapted to this combination—for whom life which is entirely rural or entirely urban prevents the fullest realization of their needs for sustenance, companionship and security".

It is not merely a back-to-the-farm movement, but is an attempt to do many different things. For one thing it is an effort to redistribute the overbalance of population, to remove the surplus population from cities, by sending them to carefully selected rural environments where they can develop their lives in totally different ways.

Again it is an attempt to restore to self-supporting careers groups who have been left stranded by the closing of industries—what may be appropriately termed the flotsam and jetsam of our industrial life.

It is an attempt to aid workers who, because of industrial and economic situations, are but part-time workers, who cannot obtain from industry sufficient employment in these days to be self-supporting.

It is an attempt to take individuals who—although not old—are too old for industry and who are pushed out by the younger generations, as they come along, and give them a chance not only to maintain their self respect but to be economically independent. It is also an attempt to deal with serious problems in the agricultural field, to take care of farmers who are now marooned on either badly eroded or worn-out land, transplanting them to more productive places.

Finally, it is an attempt to make the home supply not only shelter but food.

The National Industrial Recovery Act makes provision for encouraging a "back to the farm" movement and carries an appropriation of \$25,000,000 for that purpose. Section 208 of that Act reads as follows:

To provide for aiding the redistribution of the overbalance of population in industrial centers \$25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans for and otherwise aiding in the purchase of subsistence homesteads. The moneys collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section.

Truly, "there is nothing new under the sun". Almost 30 years ago here in New York a distinguished student of economic affairs, Bolton Hall, published a book which, if our memory serves us right, was entitled "Three Acres and Liberty"—the burden of which was that much of our existing trouble would be solved if we could put men back on the land and let them raise most of the produce that they consume.

It was not an attempt to turn city dwellers into farmers but an attempt to encourage the combination of homes with cultivation of the land in such fashion that a large part of the living of the families on that land would come from their own efforts.

This experiment is now being tried out on a large scale with the resources of the Government behind it and with a definite policy.

This new development was set going last September by the appointment by Public Works Administrator Ickes of Milburn L. Wilson, head of the Department of Agricultural Economics of the Montana State College of Agriculture, as Administrator of Subsistence Homesteads. Since that time under the guidance and direction of Mr. Wilson—who came to this job with a wealth of experience as a practical farmer, as well as a teacher of agriculture—a long range programme has been developed under which groups of industrial workers and farmers are to be relieved of complete dependence upon either factory work or agriculture. It is intended to serve as a series of demonstrations to the people of the country of the possibilities inherent in the idea.

Shortly after Mr. Wilson's appointment, a National Advisory Committee on Subsistence Homesteads was created. The Committee is a widely representative one with a wide range of interests and experience affecting every aspect of the question and representing the country geographically as well. It includes in its membership bankers, members of the National Grange, public administrators, economists, heads of agricultural experiment stations, manufacturers, authorities on mining, and others.

At one of its first sessions this Advisory Board made 15 recommendations which may be taken as an outline of definite policy for the use of the Subsistence Homesteads fund. These recommendations were as follows:

1. That, with due regard to immediate emergency needs, the fund be used as far as possible for the purpose of setting up demonstration projects which will point the way to a programme of a permanent character. In this connection the Committee emphasized the fundamental nature of the adjustments required to the changed conditions facing American agriculture and the industrial worker and the smallness of the fund in relation to the magnitude of the problem. In its opinion the establishment of experimental projects which would point to "the way out" is vital.

2. That these demonstration projects be located with reference to the principal "problem areas" of the U. S., and not on the basis of allocation of funds on the basis of States, the projects to be selected after careful investigation as to individual soundness and merit.

3. That projects be carried on with a maximum of local initiative and responsibility assisted with adequate Federal supervision and guidance and protection from the Federal funds advanced.

4. That projects be organized and administered through local non-profit or limited-dividend corporations to which Federal funds will be loaned under terms

and conditions specified by the Division of Subsistence Homesteads, the latter to have the privilege of selecting one or more members of the board of directors of the local corporation.

5. That where deemed advisable, local advisory committees to the Corporation be appointed.

6. That Federal funds should be loaned at a rate of 3 per cent and amortized over a period not to exceed 30 years, with privilege of repayment at any time. Deferred initial repayments were suggested in cases where necessary, but such deferment should not be in excess of two years.

7. That Federal loans for the purchase of production equipment and machinery, including livestock, were justified when, in the judgment of the Subsistence Homesteads Division, necessary for the success of the enterprise and when not possible to obtain in any other way.

8. That either lease or sale of plots to individual "homesteaders" be made, depending upon the nature and conditions of each project.

9. That the fullest cooperation be sought of other Federal and State agencies whose resources and services would constitute a contribution to the success of the Subsistence Homesteads programme.

10. That reasonable local financial aid would be desirable.

11. That adequate local agricultural and other advice and guidance be assured for the "homesteaders."

12. That "homesteaders" be assured of relief if necessary during the present economic crisis. Homestead sites will be picked in those counties where it is assured that urban relief, school and similar responsibilities will not be unfairly shifted to the homestead areas.

13. That the selection of families and the land and sites be made with the greatest care.

14. That to provide for persons seeking to acquire individual subsistence homesteads in connection with individual centers, the development of local organizations analogous to building and loan associations be encouraged.

15. That the Subsistence Homesteads Division carry on a limited amount of necessary research where such cannot be provided by other agencies. In this connection the Committee emphasizes the importance of the Subsistence Homesteads programme consistent with national planning.

THE IDEA EXPLAINED

Mr. Wilson in an authoritative article describing the policies of his Department, published in the *Journal of Land and Public Utility Economics*, February, 1934, explains the programme in the following terms:

The limited fund* appropriated for subsistence homestead purposes can hardly be expected to afford more than a demonstration of an effective agent in relieving economic distress. Quite distinct in organization and function from any of the emergency relief administrations, the Subsistence Homesteads Division looks upon its work as sampling the possibilities of long-term planning. Its present funds will, therefore, be disposed of with the view to securing the best possible demonstrations of the Subsistence Homestead idea as applied to various regional problems. The success or failure of these demonstration projects should go far toward establishing whether any permanent back-to-the-land movement can be expected to succeed, provided we can agree on what constitutes either success or failure.

* \$25,000,000.—Editor.

Subsistence Homestead projects established through the aid of the Government will vary in size and cost, depending both upon local conditions and the purpose which they propose to fulfill. Excellent opportunity for Subsistence Homesteads development is found in the vicinity of smaller industrial centers. In places of this sort projects will be carried out involving small plots of land, usually of from 1 to 4 acres in size, on which a 4- or 5-room modern home and a combination out-building will be constructed. With costs kept down to a minimum consistent with strength and durability, these homesteads will be offered to buyers at prices ranging from \$2,000 to \$3,000.

The owner of such a homestead will not be expected to derive his whole income from his plot of land. In most cases he will be a worker in some industry or trade and will receive a cash income from his employment. An income earned from even part-time employment should be sufficient for the homesteader to meet his financial obligations, and, aided by the produce of his home garden, help his family to attain a satisfactory standard of living. Families will be able to raise a considerable portion of their food supply on their plot, keep a flock of chickens, and, in some cases, add live stock, such as pigs, goats, or a cow, to their possessions.

Projects of a purely rural nature will embody larger tracts, and in these communities the homesteaders will depend less on outside work and more upon the cultivation of crops for their cash income. These projects will be undertaken only as an auxiliary to programmes involving the retirement of marginal lands. In both cases the families who settle on these homesteads will be financed on a long-term basis, 15 to 25 years, and will be required to make monthly repayment of their loans with interest at a low rate.

An article in the *Labor Review* for February, based on official information, describes this scheme in considerable detail. What follows is taken from that article:

One phase of the programme is to assist in the redistribution of surplus populations, groups left stranded by the shutdown or permanent closing of the industries in which they earned their livelihood, and populations dependent on part-time work. A second phase includes the transfer of farmers marooned on eroded and worn-out lands to good land.

To do this it is forming new communities of garden homes which will afford a source of food supply as well as shelter. For the older worker who has small chance of industrial reestablishment such homesteads offer an opportunity to become self-sustaining. For the younger worker a garden home, acquired during his active years in industry, offers the prospect of a place of retirement when the period of maximum earning power has passed.

The shorter workday with the resultant increase in leisure hours, the increase of technological unemployment, cyclical unemployment, seasonality of employment, the move toward decentralization of industry, are all factors which it is believed make desirable some such movement as that toward subsistence gardening.

FIVE TYPES

In setting up the demonstration projects, "problem areas" are selected, on the basis of local need, suitability and value for demonstration purposes, and presence of various factors essential to the success of the plan.

The projects are to be, in general, of 5 major types:

(1) Workers' garden homesteads near small industrial centers in which small industries are located.

(2) Worker's garden homesteads near large industrial centers, usually of heavy industries not likely to decentralize.

(3) Projects for rehabilitation of "stranded" industrial population groups, particularly coal miners.

(4) Projects for reorganization of disorganized rural communities and for elimination of rural slums on lands submarginal for agriculture.

(5) Movement of farm population from submarginal reclamation projects.

Usually the homesteads will be established and administered in groups accommodating 25 to 100 families. The individual homestead will ordinarily consist of from 1 to 5 acres, "depending upon soil, size of family, character of agricultural operations contemplated, opportunity for wage employment. In rural reconstruction projects the size of the individual homestead will naturally be larger and agricultural operations somewhat more extensive in scope."

All operations will be carried on with loans from the \$25,000,000 fund made available under the National Industrial Recovery Act. * * *

For each homestead community a local non-profit corporation will be set up, all of whose stock will be held by the Federal corporation, which also reserves the power to appoint the board of directors of the local corporation, to require uniform accounting systems, and to exercise such central control as may be found expedient.

The local corporation will select the land, choose the settlers, and carry on the operations incident to the construction of the various features of the settlement.

The Federal loans will be made to the local corporation, at 4% interest. The homesteader will pay at a slightly higher rate, in order to provide a reasonable margin for the cost of management. Loans for purchase of equipment, tools and machinery, livestock, trees, fertilizer, etc., will be made where necessary and if unobtainable from other sources.

11 PROJECTS AUTHORIZED

Up to the middle of January, 11 Subsistence Homestead projects had been authorized. These were

At Reedsville, W. Va., for about 200 families; at Dayton, Ohio, for 35 families; at Decatur, Indiana, for 40-48 families; at Valley Bend, W. Va., for about 125 families; near Hightstown, New Jersey, for about 200 families; in 7 villages adjacent to Youngstown, Ohio, for 160 families; in Pender County, North Carolina, from 300 to 400 families; in Jasper and Purnam Counties, Georgia, about 500 families; in Mount Pleasant Township, Westmoreland County, Pennsylvania, about 100 families; at Birmingham, Alabama, about 300 families; and in Northern Wisconsin, the Wisconsin Forest-Farm Homesteads, for about 400 families.

For these 11 communities loans totaling more than \$5,000,000 have been approved. In these approved projects some 2500 families will be settled on the land.

FOUR GROUPS OF WORKERS

The four groups for whom these demonstrations of the possibilities of homestead life are planned are (1) surplus populations, (2) standard agricultural groups, (3) industrial populations, (4) older workers for whom there is little or no opportunity of further industrial employment.

The projects thus far authorized have been selected so as to include examples of all of these groups. The North Carolina and Wisconsin projects will be mainly for farmers who have been trying to exist on isolated submarginal land—in Wisconsin cut-over forest land of poor quality.

The Georgia colonists are being selected from among those who have recently moved into towns and cities, from graduates of agricultural schools who have never been able to really get started, and from cotton and corn farmers operating on land where the soil has been badly washed away.

Both of the West Virginia communities will have families of coal miners, sawmill workers and farmers who have been working land of low fertility among the mountain ridges. The Pennsylvania development will have as residents families left stranded by the abandonment of many coal mines in the district. In New Jersey the homesteaders will be from the Jewish needle trades from badly congested districts in New York City with some from Newark, Jersey City and Philadelphia.

White collar workers of the lower salaried groups will be given preference in the Youngstown and Birmingham projects. Among them it is expected that there will be found factory workers, store clerks, garage mechanics, and members of professional and semi-professional groups. It is stated that many of these families are already on relief rolls. Of the farmers in Randolph County, West Virginia, 35% are said to have been receiving relief. Many of the coal miners selected have had little or no work for 5 years because of the shutdown of the mines.

It is the plan of the Subsistence Homesteads Division to continue relief where necessary until the homesteaders have had an opportunity to become self-supporting.

In selecting the individuals and families who are to participate in these projects, preference is being given to those who have a background of farm or agricultural training and who are "temperamentally inclined towards gardening and home production of food."

THE PROGRAMME PUT INTO ACTION

Four of the five classes enumerated in the Federal programme will be represented in these initial experiments.

The Decatur, Indiana, project will be a homestead group near the small industrial center, Decatur being an industrial city of about 5,500 persons. The homestead development will be contiguous to the city and the homesteaders are intended to be part of the Decatur community rather than a group set apart. It is expected that they will continue to find part of their support through part-time employment in the city, the remainder being supplied from their home-garden plots.

The Birmingham and Youngstown projects will provide examples of workers' garden homesteads near large industrial centers. In both of these cases the homesteads will not be in one group but will be situated on scattered tracts on the outskirts of various suburban towns of which they will become a part.

The New Jersey project will be a demonstration of decentralized industry adjacent to a great industrial center.

The Pennsylvania and West Virginia homestead communities will provide for stranded occupational groups—coal miners in Pennsylvania and coal miners, sawmill workers, and farmers in West Virginia.

The projects in Georgia, North Carolina, and Wisconsin will be agricultural settlements.

LAND POLICY

In all cases the land selected for the homestead project will be of high quality, capable of intensive cultivation.

For the Valley Bend (W. Va.) homesteads, option has been obtained on some 2250 acres of rich valley land about 10 miles from Elkins, the county seat. To the Youngstown group will be allotted plots on tracts of "proven productivity from farms now devoted to intensive commercial production". The New Jersey colony site will consist of 1253 acres, representing 8 farms; the richest 200 acres will be used for the homesteads. * * *

The largest project thus far authorized, from the point of view of area included, is the Georgia programme. Over 80,000 acres of high-quality plantation land have already been obtained on option, of which the best will be used for homestead purposes. That ill adapted for farming will be used for public and private forest and recreation districts.

The project in North Carolina will involve some 4500 acres.

For the Pennsylvania settlement, option has been obtained on 1800 acres of good farm lands. As these lands are now devoted to commercial production and as under the homestead plan production will be for use only, the result of the plan will be to reduce the total area for the production of cash crops in the county.

In the projects whose participants are selected from the farmers, it is planned that the lands now being worked by them shall be taken over and pass out of commercial production. Thus, in Wisconsin, the United States Forest Service will acquire the farms which the families will leave, together with other areas nearby, consolidating them into national forests. The net effect of the coordinated programme will be to reduce sharply the land area in the region devoted to commercial farm production. Under a plan now being worked out, the farmer will be given credit for the land he now occupies on the basis of its value.

THE INDIVIDUAL HOMESTEAD

Each homesteader will have a plot of good land large enough to accommodate a small low-cost dwelling, with additional space for the raising of garden crops, poultry, and possibly a cow, pigs, etc. The homestead sites will be of varying size in the different projects. In the Arthurdale community all are of uniform size—5 acres each. In the Indiana and New Jersey colonies plots will be an acre or more each; in Youngstown from 1½ to 3 acres. The agricultural commu-

nities will consist of homesteads of larger size; those in Georgia will be from 20 to 30 acres each.

The colonists will be given an opportunity to choose the location of their homes and the type of house design. The houses are to be of individual pattern, carefully designed, and are to have modern conveniences, including electrical equipment and running water.

Each occupant will be given a contract for the sale of his homestead. A down payment may or may not be required; the property will be purchased through small monthly or weekly payments, spread over a 20-year term. In the Monmouth County, N. J., colony a first payment of \$500 will be required. The cost of the individual homesteads, including land, varies somewhat in the different projects, ranging from \$2,000 to \$3,000.

COMMUNITY FEATURES

In most of the projects these homestead units will be in a compact group forming a definite new community or colony, each with its own local government, schools, community center and church, and with its own water supply, road system, etc. The New Jersey plans include a school with accommodations for 300 pupils and a community center.

In Pennsylvania, while the homesteads will be all in one tract, there are already school and church facilities in the immediate neighborhood, as well as railroads, street railways and good roads.

In some instances space will be set aside for common pasture land. This is true of the two West Virginia projects, and in the Valley Bend colony there will also be a community wood lot. In the needle-trades settlement in New Jersey, it is planned to have a community co-operative farm which will have a dairy herd, a poultry department and facilities for filling other food requirements of the colony. The farm will be worked by the colonists.

SOURCES OF EMPLOYMENT

In all cases it is expected that part of the family's subsistence will be obtained from the crops, poultry, etc., raised on the homestead plot. All of these products will be for use only, and none will be sold. There will therefore be no increase in commercial farm products and no competition with local farmers producing for the market.

As funds will be necessary for the monthly payment on the homestead and for household furnishings and supplies not capable of being produced at home, part-time employment in some cash producing job must be furnished. In Decatur, Birmingham, and Youngstown it is expected that this will be available in the city industries.

For the Valley Bend, W. Va., colonists, opportunities of employment are expected to develop in connection with the Monongahela National Forest which is near the colony site. Negotiations are under way for the establishment by private concerns of several woodworking plants. Development of handicrafts will also be stimulated among the homesteaders, many of whom have considerable skill with tools. In Wisconsin, also, the families will have part-time work in federal, state and county forests.

In the North Carolina project, whose occupants will be farmers mainly, while the farm operations will supply the chief source of livelihood, it is expected that small industries, privately owned and financed, will also be developed, which will relieve the farmers of complete dependence on agriculture. In Georgia, private farm crop-processing plants and woodworking industries will be started which, together with industries in nearby cities, will provide additional sources of income.

In the needle-trades colony in New Jersey a clothing factory will be erected, financed by private funds, which will give part-time employment to the homesteaders. It will maintain contact with the New York market for its supply of unfinished goods and for the disposal of its finished product. In this factory the participants in the homestead project will follow their usual occupations. It is stated that this factory will be erected with a view to serving as "a model in design, in providing workers with satisfactory physical conditions, and will be organized so as to adapt itself to full cooperative ownership eventually."

Regarding the coal miners' project of Pennsylvania, it is stated that while opportunities for employment in that district are now scarce, a number of private industries are considering the opening of plants there which will give opportunities for cash income.

Some employment will, of course, be provided during the process of building up the new communities, as streets will have to be cut, water mains and electric cables laid, dwellings and other buildings constructed, etc. Thus, in Pender County, N. C., construction work was to get under way early in January, and it was expected that this would provide an important new source of employment. It was planned that the families would be moved into the community in groups of 20.

In the Indiana, West Virginia and Northern Wisconsin projects the Civil Works Administration will allocate labor to carry out preliminaries of the project, including planning, surveying, developing and preparation of the land for use. Some 1,700 workers are expected to be utilized on these three projects.

Among the participants in the Youngstown and Birmingham projects are expected to be a considerable number of building trades workers who will be able to do work in the erection of their own homes.

LOCAL COOPERATION

Where possible the cooperation of local groups or organizations is being secured.

Thus, in Georgia the whole programme is being carried out as a programme of research, teaching and extension under the University system of Georgia. All of the facilities of this system—consisting of 17 institutions including 2 agricultural experiment stations and 3 Negro institutions—will be at the service of the homestead group. The local authorities have assumed the responsibility of supplying roads, schools and other public services, while an extensive programme of adult education under university auspices is part of the scheme.

In Indiana members of the faculty of Purdue University will be consulted as the project develops.

The unions in the needle trades are cooperating in the New Jersey community, as are also numerous Jewish social, industrial, labor, cooperative and fraternal organizations. The New Jersey College of Agriculture will also be asked to assist.

In Wisconsin the project is being worked out jointly by the Subsistence Homesteads Division, the Federal Forest Service, the Wisconsin Conservation Department, the University of Wisconsin and local units of government.

RESULTS EXPECTED

Both tangible and intangible results are expected from the Subsistence Homesteads programme. Thus, it is expected that these homestead communities will provide a new way of living for the families chosen, not only enabling them to become self-supporting but offering them the means of a fuller social life.

By the withdrawal of poor farm lands from cash production, the commercial farming area will be sharply reduced in the region, leaving under cultivation only the better lands capable of providing a higher plane of subsistence for the farm families.

AID FROM ARCHITECTS

A. Lawrence Kocher and Albert Frey in the *Architectural Record* for April list some 27 projects approved and give a statement of the progress of development at the time in each of these. Of the 27 there are only 2 apparently where houses have actually been built. These are the Dayton and Reedsville schemes.

These writers make an interesting contribution to the subject in their article entitled: "Subsistence *Farmsteads*" in which they suggest some of the fundamentals for these developments, pointing out that the subsistence *farm house*—a term which they emphasize—must provide many of those comforts and conveniences to which the city dweller is accustomed; that it should be as compact as an apartment and with an arrangement that will facilitate light farm work. As a "Checking List" of Requirements, they enumerate the following as essentials:

With ample land it is most economical to have all rooms on one floor; rooms should be dimensioned to exact needs; bedrooms, used only at night, may be of the smallest size; living-dining room of most general use is of ample size; kitchen, food storage room and laundry should be planned as a suite and with consideration of farming requirements; windows of kitchen should overlook the farmstead; cross-ventilation should be provided; combination of kitchen-dining areas; conveniences of washroom for farmer entering house; plumbing grouped; entire floor area utilized, no hallways or vestibules; built-in closets of standard size; fewest possible doors.

With this article are plans of a number of houses as well as elevations with practical suggestions as to materials to be employed that can be used economically, and even suggestions for furnishings and other equipment.

As this is written, the newspapers report the formal opening of the Reedsville project with appropriate ceremonies in which the President's wife very appropriately has taken the leading part, for this project has been one that has been her special care.

On June 7th, 50 new houses stood on the hillside in this little community waiting only the final wording of the contract and the turning on of electric power, to become 50 homes. Mrs. Roosevelt rightly described those who are to live in the new colony as "pioneers". To them she said:

I know there are going to be hard times, but if you work together I am sure you will succeed. I want you to succeed not only for yourselves but for what it will mean to people everywhere—north, south, east and west—who are starting similar projects. You are the first and your success will hearten these people. Some of them will have worse troubles than you, for they are building their own houses, and will make mistakes.



This is indeed a great adventure in housing, in agriculture, in social and industrial planning. It may fail or it may succeed. It deserves to succeed. If it succeeds, it will undoubtedly point the way for vast changes in our methods of living and will furnish new means of solving problems many of which now seem insoluble.

Every believer in better housing will wish success to this new adventure on new paths.

MODERNIZATION AND MORTGAGIZATION

THE PRESIDENT'S LATEST

The latest item in the Government's programme to restore prosperity and end the depression is the scheme embodied in the new "National Housing Act" which was introduced in Congress on May 14th accompanied by a message from President Roosevelt strongly urging its enactment.

THE PRESIDENT'S MESSAGE

In his message to Congress the President points out that the programme consists of four major interrelated divisions and has the following to say:

To the Congress:

May I draw your attention to some important suggestions for legislation which should tend to improve conditions for those who live in houses, those who repair and construct houses, and those who invest in houses?

Many of our homes are in decadent (*sic*) condition and not fit for human habitation. They need repairing and modernizing to bring them up to the standard of the times. Many new homes now are needed to replace those not worth repairing. The protection of the health and safety of the people demands that this renovising (*sic*) and building be done speedily.

The Federal Government should take the initiative immediately to cooperate with private capital and industry in this real property conservation. We must lay the ground work for this effort before Congress adjourns its present session.

The purpose of the programme is twofold: First, to return many of the unemployed to useful and gainful occupation; second, to produce tangible, useful wealth in a form for which there is great social and economic need.

The programme consists of four major interrelated divisions:

1. Modernization, repair and new construction;
2. Mortgage insurance;
3. Mortgage associations, and
4. Building and loan insurance.

The modernization of the programme will furnish national guidance and support for locally managed renovising campaigns throughout the country and protection for home owners against unwarranted cost advances. For these purposes and to assure adequate financing at low cost and on moderate terms of payment, a new governmental agency is required.

Modernization of commercial and industrial structures is envisioned, as well as residential, but the new features providing governmental assistance are confined largely to home improvements.

Loans to individuals will be made by private agencies which will be insured by a governmental agency against loss up to a certain percentage of their advances. This insurance against loss on the rehabilitation loans will be met by the government and will be confined to advances of credit that meet standards and conditions designed to protect both the home owners and the cooperating agencies.

To make funds available for new home construction and to improve the mortgage market, the second phase of the programme is long-term mortgage financing.

It provides mutual mortgage insurance under governmental direction to enable private agencies to make first mortgage loans on newly constructed houses up to 80% of the appraised value of the property,

and to make new mortgages on existing homes up to 60% of the appraised value of the property.

20 YEARS FOR AMORTIZATION

The loans will usually carry not more than 5% interest and will be amortized by periodic payments over 20 years.

Similar insurance arrangements are provided to help finance low-cost residential projects of the slum replacement type.

The third phase provides for the incorporation of mortgage associations under strict Federal supervision to increase the amount of mortgage funds available in regions where interest rates are unduly high because sufficient local funds are lacking. The activities of these associations will be limited almost entirely to insured residential mortgages.

Insurance for share and certificate holders in building and loan associations, similar to the insurance provided for bank depositors, is the fourth phase of the programme. These institutions are custodians of the funds of small savers, and it is essential they should be given every reasonable protection. Insurance of this type is necessary in order to arrest any further drain on these institutions and to put them in a position to resume their normal useful functions.

I believe that the initiation of this broad and sound programme will do much to alleviate distress and to raise perceptibly the standards of good living for many of our families throughout the land.

FRANKLIN D. ROOSEVELT.

Coincident with the introduction of bills in both Houses of Congress setting up the necessary machinery for the new programme, Frank C. Walker, Executive Director of the National Emergency Council, and co-author of this housing programme issued a statement describing the need for Federal aid in this field, pointing out that the construction industry has been the most severely depressed of all industries. He said:

From any one of several points of view, an attack on the housing problem can at the present time be made a major factor in economic readjustment.

In the first place, the construction industry as a whole is outstanding among the large industries of the United States. Furthermore, it has been the most severely depressed of our large industries and the one that has shown the least response during the past year to the general economic recovery. The decline of residential construction to but one-tenth its former total has been even more severe than the decline of construction generally. The extent of the decline in the construction industry is shown by the following brief comparisons:

Former annual aggregate of construction, \$11,000,000,000.

Present annual aggregate, \$3,000,000,000.

Former annual residential construction, \$3,000,000,000.

Present annual residential construction, \$300,000,000.

LARGEST DEPENDENT GROUP

From the point of view of unemployment, this enormous decline in the volume of construction is accountable for our largest single emergency relief problem. The great bulk of the persons ordinarily engaged in the construction industry and related activities are still unemployed. These workers and their families constitute the largest group still dependent on public and private relief.

The number of persons normally employed directly in the construction industry, or in making, transporting and selling construction materials, is about 3,500,000. If account is also taken of the persons indirectly dependent on the construction industry—such, for example, as those engaged in the production of raw materials—the number of workers affected either favorably or adversely, according to the state of the construction industry, may be placed at approximately 5,000,000. This figure must of course be multiplied several times in order to arrive at the total number of persons in the families of workers normally dependent on the construction industry for their livelihood.

If the workers in the building trades, or any appreciable part of their number, can be restored to normal employment, their re-employment will in turn further stimulate the so-called service industries—such, for example, as retail trade—and thus provide additional employment there in proportion to the increase in the construction industry.

LARGEST FINANCIAL PROBLEM

Besides being accountable at the present time for our largest industrial problem and our largest unemployment relief problem, the construction industry is also accountable for our largest remaining financial problem. The real estate mortgage debt in the country as a whole is \$43,000,000,000. This is the largest single class of outstanding long-term indebtedness in the capital market. It is more than three times as large as the total railroad debt, four times as large as the total public utility long-term debt and four times as large as the total industrial long-term debt. It is nearly as large as the combined totals of national, State, county and municipal debt.

Of this mortgage indebtedness, \$21,000,000,000, or approximately half the total, is represented by individual mortgages on homes. Much of this huge home-mortgage debt, furthermore, was created under the unsound financial practices that prevailed during the boom conditions of 1922-29. These unsound practices are now universally recognized and discredited. The most detrimental of them, however, were the following:

1. The practice of financing new construction through the use of second mortgage financing at exorbitant costs.
2. The practice of charging excessive fees, in addition to high interest rates, for the renewal of maturing mortgages.
3. The practice of making long-term loans on a fictitious short-term basis—that is to say, mortgages were written on a three-year or a five-year basis, but without any provision for their gradual repayment out of the income of the borrower; and they were expected as a matter of course, by borrower and lender alike, to be renewed or refinanced at maturity.

MISSSES SHARE IN RECOVERY

Owing largely to these unsound practices of the years 1922-29, the mortgage market has been unable to stand the strain of the depression or to share in the general recovery.

In many sections of the country active mortgage financing has virtually disappeared. New residential construction, even where it is fully justified, has from almost the beginning of the depression been drastically curtailed because of the inability of borrowers to obtain second mortgage financing. It has also been difficult for borrowers to obtain the customary renewal of refinancing of maturing mortgages, and they have in numerous instances been pressed for heavy repayments at the time when they were least able to make them.

By 1933, when the Home Owners' Loan Act was enacted, it was estimated that 10 per cent of all mortgaged urban homes had been foreclosed. Foreclosures were going forward, furthermore, at the rate of nearly 25,000 homes per month. Since then the foreclosure rate has declined to about 20,000 homes per month. To date the Home Owners' Loan Corporation has received 1,250,000 applications, aggregating more than \$4,000,000,000.

These facts make it plain that the reorganization and reopening of the mortgage market is as vital to the free functioning of our financial institutions as is the resumption of construction to the re-employment of the huge army of workers that is now being carried on the relief roll.

ANOTHER VICIOUS CIRCLE

We have here, in fact, a sort of vicious circle. Unemployment is maintained at a high figure because of the absence of facilities for financing new construction, while at the same time the financial burden of the existing mortgage debt becomes increasingly difficult to carry because of the continuing large volume of unemployment.

In the programme that has been recommended to the President by the National Emergency Council this problem is attacked by four different methods, each calculated to bring support to the construction industry and the mortgage-lending business at the points where strength is most urgently needed.

The four methods of attack are essential parts of an interrelated whole, the force of which will break the vicious circle just referred to by encouraging, in areas where new construction is economically justified and where an economic demand is present, a resumption of building activity but under new and sound financial practices.

The four component parts of the programme are as follows:

1. Modernization.
2. Mortgage insurance.
3. Mortgage associations.
4. Insurance of building and loan associations.

MODERNIZATION

After five years of neglect of the ordinary maintenance of our residential, commercial and industrial properties, a widespread potential demand now exists for construction in the field of repair, renovation and modernization.

By providing definite incentives in the way of reasonable costs and advantageous credit terms, we can stimulate a renewal of activity, and employment in the kind of construction, both urban and rural, in which substantial results can be most quickly obtained.

A modernization campaign and a plan of home-improvement credit have been proposed as a means of inducing the prompt undertaking of this work. The modernization project would embrace commercial and industrial property as well as residential property. The special credits that have been proposed, however, would be limited to a maximum of \$2,000 each, and hence would be availed of for the most part by home owners.

MORTGAGE INSURANCE

A plan of mutual mortgage insurance under governmental direction has been proposed as one of three principal means of reopening the mortgage market.

By insuring mortgages on existing homes up to 60 per cent of their currently appraised value we can induce private capital again to invest more freely in mortgages.

By offering to insure mortgages on newly completed homes, but up to 80 per cent of the appraised value, we can enable new construction to go forward without any occasion for reviving the second-mortgage market. Mortgages would be insured, however, only where the insurance would be beneficial to the mortgage market.

No construction of a speculative type would be eligible to mortgage insurance, nor would the insurance be granted in areas where there was an existing surplus of modern homes. New construction, therefore, would be limited to that which is economically justified in each community. In other words, new construction would for the immediate future be localized. Then as the modernization campaign got under way and the general recovery programme became further advanced, the justifiable demand for new construction would spread in an ever-widening circle.

MORTGAGE ASSOCIATIONS

As another important means of reopening the mortgage market, the authorization of privately owned and operated mortgage associations, to be incorporated under Federal charter, has been proposed.

By placing those associations under rigid Federal supervision and restricting their dealings to the insured mortgages, we can provide an effective means of attracting funds from financial centers in which there is a surplus of capital for investment to areas in which local savings are insufficient to meet the requirements of home financing, and in which the local cost of such financing is therefore unduly high. In this manner the advantages of low-cost, long-term financing can be spread to communities throughout the country.

INSURANCE

The insurance of the shares and certificates of sound building and loan associations has been proposed as still another important means of reopening the mortgage market. These institutions have been placed at an inequitable disadvantage since the insurance of bank deposits was put into effect at the beginning of the year. By insuring building and loan savings we can remove this disadvantage and again enable the associations to attract small savings for mortgage lending.

A study of the text of the new measure indicates that the essential points of the programme are:

1. Federal long-term loans at low interest rates, up to a maximum of \$2,000, for the modernization or improvement of all types of property, but with primary emphasis on homes.
2. Federal guarantee of new mortgages on existing homes up to 60% of "currently appraised value", and guarantee of mortgages on newly completed homes up to 80% of appraised value.
3. The private organization, under Federal supervision, of mortgage associations to provide low-cost, long-term financing for home owners or builders under such safeguards as to make the mortgages attractive investments.
4. Insurance of shares and certificates of sound building and loan associations.

Under the bill two corporations would be established: a Home Credit Insurance Corporation, with an authorized capital not to exceed \$200,000,000 to be supplied by the Treasury. This would work in close cooperation with the existing Home Owner's Loan Corporation, already active in refinancing mortgages in distress.

The second corporation established by this measure with \$100,000,000 of capital furnished by the Treasury is the Federal Savings and Loan Insurance Corporation which, with certain limitations, would insure the shares of building and loan associations.

Such is the latest effort by the Administration to restore industry and overcome the depression.

Outside of the N.R.A. experiment, it is the most revolutionary and daring proposal that has yet been presented to the people of the country.

EXIT THE BANKER

With the President's definitely accepted philosophy of overcoming the industrial and financial depression at all costs and of trying first one remedy after another until every remedy is exhausted, it is not strange that he should have embarked upon this ambitious programme. As a temporary measure it may be justified.

But if this, like those other "temporary" measures that were urged upon the country a year ago as temporary expedients to get the country out of the depression—is later to be advocated by the Administration as a permanent part of the New Deal, then these proposals present very serious questions to the people of the United States.

For, they mean in effect that the Government will become the chief—in fact, the only—financing agency of the entire country.

It may be that the time has come for bankers to disappear. It may be that the United States is ready to take this step. But if we rightly interpret the temper of our people, such a suggestion is not a welcome one.

Sound business men may be entirely willing to try the methods that are provided in these proposals as a further means of overcoming the depression and of putting the construction industry on its feet, but as a permanent arrangement, we feel sure, they are not ready to give it their approval.

OPPOSITION MANIFESTED

The President's proposals did not meet with an enthusiastic reception in Congress—coming, as they did, at the end of a long and strenuous session and during the midst of very hot weather. Up to a few days ago, it looked as if Congress would adjourn and leave these proposals as unfinished business until the next session, but the President has recently asserted his political authority and indicated to Congress that he would look with disfavor upon an adjournment before this legislation had been put upon the statute books. At the time of going to press, the ultimate outcome of the situation had not been disclosed.*

That the bill if enacted into law will be a bitter pill to many members of Congress was made evident in connection with some of the recent public hearings in the House. Representative Goldsborough of Maryland, ranking Democrat on the Committee, on this occasion said to one of those advocating it before the Committee:

You call this bill a Housing Bill. That's not a proper name for it; and, that not being a proper name, is evidence there is something wrong with it. That's the reason you won't find a member of this committee who has complete confidence in this legislation.

The bill is a voluminous one and like all long detailed measures necessarily contains many elements that give rise to misunderstanding and to difference of opinion.

It is interesting and significant that the measure has the unqualified support of the National Association of Real Estate Boards, representing the organized real estate interests of the country, and also the building and loan association groups. So far as opposition to the measure has manifested itself, it has seemed to come chiefly from a few individuals who take exception to some of the detailed provisions of the measure.

THE REALTORS SUPPORT IT

Commenting on the measure upon its introduction, the National Association of Real Estate Boards had the following to say:

The National Housing Bill, implementing President Roosevelt's plan for drawing some \$1,500,000,000 of private capital into home building and reconditioning, under Federal mutual mortgage insur-

* *The Housing Bill passed the House on June 13th by a vote of 176 to 19. It is still pending in the Senate and will undoubtedly become a law.—Editor.*

ance, becomes the central pivot for the future swing of mortgage practice and of home building. * * * The Association has offered its services in working out proposed details of the application of the plan to local communities.

A week later, appearing at a hearing before committees of the Senate and House in support of this measure, the Association stated that its action in support of the measure was "taken on the basis of the anticipated effect of the proposed measure to stabilize and so normalize home mortgage financing, to lower home financing costs, and to set up a machinery through which, under local initiative, new normal activity in home building and home reconditioning may begin, *drawing on private capital for the enterprise*".

While thus supporting the measure, the realtors urged strongly upon Congress an addition to it—namely, the incorporation in the proposal of a complete national mortgage discount system for which they have been contending for some time, based on the theory that such a system is needed for the permanent stabilization of long-term credit for all real estate and construction purposes.

Commenting on one aspect of the measure, the organized realtors had the following to say:

The Government's plan for insurance of home mortgages is set up with a very large safety factor. The plan provides on a strict actuarial basis for possible default in the case of 25% of all the mortgages insured.

It is emphasized that the proposed plan for stimulating home building in such communities as have need for new construction and for home reconditioning is a plan for bringing private capital into this field. The Association has consistently held that in needed legislation for mortgage stabilization government-aid should be extended through existing financing institutions. It has held that the government should not go directly into the lending business.

The present legislation should tend strongly to encourage private lending in the home mortgage field by insuring, on a mutual cost basis, a large group of amortized loans for home building made on a sound appraisal basis. The President's programme would tend enormously to standardize appraisal of homes and strengthen the use of long-term loans for home buying and home building. It would encourage loans on a basis, for example, of 20 years, rather than on the basis of 3 to 5 years, hitherto prevalent. In this respect it would, if adopted, practically create a new type of loan instrument, the long-term amortized insured home mortgage.

The enormous scope of the proposed legislation should not obscure the fact that comparatively little funds from the Treasury or the Federal government would be needed to put the whole machinery in motion, and comparatively little expense to the government would be involved in putting the plan in operation.

So far as one can judge from the newspaper discussions of the hearings in Congress and of the views expressed in the press, the principal points of objection are the scheme of mortgage insurance and the establishment of the Mortgage Associations.

High officials of the building and loan movement in the United States, while endorsing the principle embodied in the measure of extending Government help to the home building industry, sound a note of warning that nothing should be done through this measure to injure or interfere with the existing building and loan associations and other sound groups dealing with home financing.

ITS ADVANTAGES

The salient facts brought out at the hearings before the committees of Congress have been summarized as follows in a recent statement from the National Association of Real Estate Boards:

Revival of the construction industry would take care of approximately 75% of present unemployment.

Some 72 responsible realtor builders in the New York and New Jersey area alone are ready to proceed with the erection of 700 individual houses if adequate mortgage loans are made available. A survey of 1,700 building supply dealers in 48 states indicates, if mortgage credit should be made available, a market would immediately be opened for 275,000 urban homes and more than 250,000 farm buildings.

The Editor of the *Architectural Forum*, a keen observer of such matters, hails the new measure as of vital consequence to the construction industry, pointing out that the heart of the scheme is Government insurance of real estate loans from which it is hoped that it will put \$1,500,000,000 to work in the construction industry by next January. Commenting on these proposals, he says:

The revision of the entire method of financing house construction is the most promising definite contribution to reviving home building. It would reduce the present excessive cost of home owning and provide a sounder basis for both borrower and lender. Certainly this should give an impetus to prospective home builders, for the financing problem is now the greatest deterrent to construction.

That the construction industry needs the administration of oxygen there can be no doubt. Speaking of the situation several months prior to the introduction of this measure, it was pointed out that almost every governmental agency had sent representatives to help prepare this programme in a frontal attack on the worst unemployment problem in industry—the construction and heavy goods trades—where a

major stimulation must be applied in the view of the Administration before the unemployment situation can be greatly improved.

THE RECONDITIONING PROGRAMME

There is one feature of the President's latest* proposals about which in our mind there is more doubt than any other feature; that is the so-called "Reconditioning Programme".

The idea is not a new one. The construction industry and makers of building materials and fittings have been proceeding along these lines for several years—ever since the depression struck them—and have been conducting a high-pressure salesmanship campaign to "sell" to the home owners of the country the idea that they should recondition and improve their existing homes or apartments trying to persuade people to buy new bath tubs, to fit up their houses with all kinds of changes in order to stimulate employment in these industries.

It is a nice question whether this is sound policy. From the point of view of the industries that benefit, it, naturally, seems desirable. Those advocating it, however—just as those advocating many other aspects of the Administration's programme of urging the public to spend and spend and spend—overlook the fact that there is a limit to what the ordinary person *can* spend. He has only so much income and what he spends on one thing he cannot spend on another. It is a short-sighted policy to overlook this fact.

BUY, BUY, BUY

It, therefore, becomes a question of whether it is desirable to urge householders to spend money on new bath tubs and new bathroom fittings, for instance, in order to be up-to-date and have the latest gadgets, when the things they have are entirely adequate for their purpose. They have got along with these for many years and they can continue to get along with for many years to come—so far as their fundamental purposes and use are concerned, though they may not "doll up" the home in the way that many of their neighbors think essential to existence. The *Architectural Forum* in discussing the new scheme raises the question squarely as to how many home owners can be persuaded even by an organized campaign to borrow small amounts in short-term loans for the purpose of repairs or modernizing.

The *Engineering News Record* in a recent issue, commenting on the proposal and the urging of its support by the President of the U. S. Chamber of Commerce as a means of encouraging business, says:

* As we go to press, June 12.—Editor.

In the present home repair and building scheme, fallacy is added to the failure of the low-cost housing programme. It is fallacy to predicate a business revival on the cooperation of some of the very groups that successfully obstructed the earlier housing plans; to depend on a modernizing campaign based on emotional appeal and to lure the bankrupt home debtor deeper into debt.

Commenting on this statement the *New York Sun* in a recent editorial pointedly adds:

But what cares the United States Government about the dangers of deeper debt?

As an interesting side light of the complexity of the situation and of some of the elements that enter into it, may be pointed out the fact that building material prices have already risen in anticipation of Government buying for public works.

A NEEDED WARNING

Some of the dangers inherent in this reconditioning programme have recently been called attention to by the Pittsburgh Housing Association. They urge that:

1. Federal credit should not be used to facilitate the reconditioning of individual dwellings located in industrial or commercial districts, the future use of which cannot be regarded as residential.

2. Loans for reconditioning should not be approved on individual dwellings located in areas recognized as slums, or areas marked for clearance or for large-scale rehabilitation.

3. Loans on houses should be approved only where the investment will result in a positively fit dwelling. This would necessarily require the setting of minimum standards for housing. Such standards would, of course, vary for urban, suburban and rural communities.

In the opinion of Joseph P. Tufts, Executive Director of the Association, the adoption of these recommendations will prevent the use of Government credit as a means of continuing sub-standard housing conditions, will avoid unsound investment risks, and will prevent the further pyramiding of unwarranted slum values which make increasingly difficult long-range slum reconstruction programmes.

For those who are interested in this reconditioning programme and think it a sound effort, we would call attention to a valuable publication issued by the Federal Home Loan Bank Board, entitled: "Guide to Home Reconditioning for Borrowers from the Home Owners' Loan Corporation". This pamphlet cites the law enacted on April 27th of this year authorizing the Home Owners' Loan Corporation to make loans for repairs and modernizing and gives much valuable advice to home owners who contemplate undertaking this work.

AS A HUMORIST SEES IT

Hi Phillips, whose column, "The Sun Dial", in the *Evening Sun* is unquestionably the best newspaper column in the United States and who, perhaps more than any other humorist of today, may be said to have succeeded to the mantle of Finley Dunne and to embody his "Mr. Dooley" philosophy, gives his views with regard to this feature of the President's programme.

Because of its sound sense as well as its delightful humor we reproduce it here:

THE OVERHAUL-THAT-HOME DRIVE

Congress is now considering the President's latest feature of the recovery campaign, a plan to revive the building and allied industries by a government-financed house renovating movement.

* * *

Uncle Sam will supply the tools, the paint brushes and the screw drivers and even lend you the money for adhesive tape if you hit your own thumb while driving a nail.

* * *

The President proposes a \$200,000,000 fund so home owners can give the old homestead a shave, haircut, shampoo and body massage and treat the cowshed and garage to a "facial."

* * *

The country may sink, but if it does it will go down in a fresh coat of paint and with the porch screens not leaking.

* * *

America is full of homes so dilapidated that even the mice have moved away.

* * *

The verandas are hanging by a thread, the living room bay windows are wabbling in the breeze and the roofs are held in place by a prayer and a carpet tack.

* * *

There are places where the only way the tenants can tell the henhouse from the homestead is by looking around for eggs.

* * *

The President proposes to finance the repairing and remodeling of these houses, incidentally giving a fresh start to the fellow who was digging a cellar when the 1929 cyclone hit him.

* * *

It's a commendable plan provided the public is as anxious to send the old home to the laundry as the President anticipates. The fly in the jello is whether the average house owner will care to make any permanent repairs until he feels more confident the hurricane is over.

* * *

And the project doesn't take into account the fact that thousands of houses are in a collapsible condition simply because the owners have hookworm, chronic inertia and a hereditary tendency to think that fresh air should be admitted through wide cracks in the walls and ceilings.

* * *

A house-to-house canvass to arouse public interest is planned by Washington. People will be told that it is unpatriotic to keep a rusted rain pipe and bad Americanism to go through life with that terrible wall paper in the guest-room.

* * *

If they respond it will make the Blue Eagle seem like a dead humming bird.

* * *

Your correspondent will cooperate. He will build a swimming pool behind the garage if the Government will lend him \$50,000 for 40 years.

DO WE NEED MORE HOUSES?

Is the nation facing a housing shortage and is there a real need of additional residential construction? These are rather fundamental questions which the Administration must necessarily consider, irrespective of its desire to restore and strengthen the great construction industry of the country as a means to restoration of prosperity.

There has been much difference of opinion with regard to this important question. Last December the National Recovery Administration made a survey of the possibilities of reemployment in the construction field and claimed that there was a shortage of some 800,000 residences in the United States. Using this figure as a base, the Report outlined construction possibilities totalling nearly \$14,000,000,000 during a two year period, through which construction it was estimated that 4,250,000 men could be given work. Of these, it was estimated that 2,000,000 would find work on residential construction if the needs were met.

These figures represent no careful ascertainment of the facts as a result of a census enumeration of existing vacancies or existing needs, but are estimates based upon figures of building construction through a period of years and the assumed national needs, with estimated increases of population—all of which are notoriously unreliable bases for any practical programme.

These estimates caused much discussion and comment, and opinion as to their accuracy has differed radically.

More recently, in support of the Administration's National Housing Bill which would administer oxygen to the dying building industry, further arguments have been advanced from similar sources—all stressing the existence of a housing shortage and the need of additional construction.

Such a statement, issued as recently as May 27th, states that America is facing a housing shortage and bases this conclusion on the fact that in 1933 residential building fell off to less than 1/10 of the 1926 volume; that during 1932 and 1933 there weren't enough single homes built to replace those burned down in those two years. It is stated that the country requires at the present time 400,000 new homes each year.

Notwithstanding the depression, it is stated that young people have been getting married and having children and that the population is increasing numerically—although no figures on these aspects of the situation are presented. The doubling up of families because of the economic situation is stressed—though it is pointed out that with the improved condition that is manifest throughout the country this doub-

ling up is now lessening. It is further pointed out that many of the existing homes are substandard and that the need for better homes is great.

It is obvious that the country should not be encouraged to stimulate residential building construction unless there is a real need for it. Heretofore, the only accurate information that the country has had to guide it in this respect, outside the Census enumeration every 10 years, has been the semi-annual survey of the real estate market made by the organized realtors in 176 cities of the country.

WHAT THE REALTORS FIND

Their latest survey issued under date of February 10th, indicates an increasing shortage in single-family dwellings in what they describe as an appreciable percentage of cities in every section of the United States showing a shortage of single-family dwellings. They report that this was not so six months earlier. They also report the beginning of an appearance of shortage in the need of apartment house space—limited as yet to cities of under 100,000 population. Commenting on this situation in detail the semi-annual survey has the following to say:

A marked change in the last 6 months is shown in the supply of single-family residences. Actual shortage in this type of structures exists in 27% of the cities reporting, whereas only 12% showed such shortage 6 months ago and only 7% a year ago.

Shortage is shown by 69% of the cities in the West South Central section, by 40% of the New England cities reporting, by 40% of the Pacific Coast cities reporting, and by 33% of the cities in the Middle Atlantic section. The percentage of cities showing shortage in other sections is as follows: South Atlantic section, 15%; East North Central section, 23%; West North Central section, 22%; East South Central section, 38%; Mountain section 14%.

The condition of shortage appears to be more prevalent in the smaller rather than the larger cities, but no city of over 500,000 population reported an oversupply of this type of structure, and 14% of this group showed a shortage.

Shortage in apartment space is shown in 11% of the cities reporting, as against 5% so reporting 6 months ago. The number of cities showing oversupply has been cut down to 23% of those reporting, as against 36% six months ago. In the New England section 20% of the cities report a shortage. However, in the whole survey no city of over 100,000 population reported any apartment shortage and 75% of the cities of over 500,000 population indicate oversupply.

J. S. TAYLOR'S STUDY

In order to find out the real facts, James S. Taylor, Chief of the Housing Division of the U. S. Department of Commerce, sent out questionnaires not long ago to 1500 local real estate boards, to building and loan associations and regional divisions of the Architects' Small House Service Bureau. In addition, he collected reports on residential vacancies made by local real estate organizations in various cities, and collated the latest vital statistics on population, births, deaths, marriages, immigration and emigration, and reports on shifts in population made by the Department of Agriculture, based on the 1920 and 1930 Census.

This inquiry disclosed the fact that a large number of persons had no prospect of moving into better quarters when recovery comes; that about 20% of the population reviewed was doubling up because of lessened income; and that the process of "undoubling" will require more new private dwellings than apartments; and that the chief demand in the immediate future will be for homes costing \$5,000 or less.

Local residential vacancy surveys made since January, 1932, showed that in 51 towns and cities the ratio of residential vacancies to total accommodations varies from 3 to 12.8%, most of the cities showing small increases in total vacancies but particularly in apartment houses. The percentage of vacant single houses range from 1.6 to 9.6% with decreases in this class of vacancies occurring in about one-fourth of the cities. Vital statistics estimate the national population in 1920 at 24,352,000 families and in 1930 at 29,980,000 families—a net increase of 563,000 families a year—from which it is assumed that there is need of 700,000 new homes.

The survey conducted by the Division of Economic Research and Planning of the N.R.A., to which we have already alluded, estimates a shortage of 810,000 new family units at the beginning of the year 1934.

Further estimates of vacancies in homes made by the N.R.A. in December indicated that there are over a million family units vacant.

Other national organizations have tried their hand at estimating the shortage of housing and the need of new housing. Among these is the National Association of Lumber Manufacturers which finds the shortage to be chiefly in low priced houses. They estimate that 87% of the families in the country must live in homes costing from \$600 to \$11,000 per unit, with the great majority living in homes costing from \$1,000 to \$7,500—a wide range, it should be noted.

These are all *estimates* based on more or less inexact statistics and drawing inferences from past experience which is not a satisfactory way of dealing with so difficult a question.

THE REAL PROPERTY INVENTORY

Realizing this, the Federal Government a few months ago decided to undertake in a selected group of cities a Real Property Inventory showing housing vacancies and housing needs.

The National Association of Real Estate Boards has for a long time urged such an inventory as a basis for intelligent adjustment of demand and supply—pointing out that accurate facts as to the existing supply in specific types of structures in each city constitute a primary element in the formation of sound individual judgment as to new construction projects, as to the financing of real estate proposals, as to real estate investments and as to city planning.

Inasmuch as this inventory afforded a means of putting to work on temporary jobs a large group of white collar workers that desperately needed work, the C.W.A. made available for it an allotment of \$3,500,000.

The taking of the Real Property Inventory has been entrusted to the U. S. Bureau of Foreign and Domestic Commerce and is in immediate charge of Willard L. Thorp, the Director of the Bureau, with the aid and advice of Census officials.

In a statement issued about the end of the year, that Bureau pointed out that there are two general aspects of the Inventory—viz: the Physical Property Inventory and the Financial Study. The statement goes on to say:

It is planned that the physical project will include a complete enumeration of all residential structures, with major appurtenances, in the selected cities. The field work for this project must be completed by February 15. The financial study, or second phase of the inventory, will be less extensive—nevertheless, a thorough study, in certain sections of selected cities, of rentals, mortgages, interest rates, taxes, delinquencies, etc., will be made. Tabulation of this material, although not included in the original budget, is expected to be completed in the shortest possible time.

PURPOSE

The Real Property Inventory was conceived for a twofold purpose:

First, To provide temporary work during the intensified endeavor of the Public Works Administration to get men back to their jobs, in which its share of employment would be approximately 12,000 men for 6 weeks;

Second, To secure significant data dealing with the location and character of structures in selected communities—tabulating facts dealing with occupancy, vacancies, family units and extent of double-up, type of building, material of construction, condition of structure, epoch, services such as elevators, heating apparatus, fuel used, water supply, refrigeration, sanitary facilities, transportation, number of

auxiliary buildings on premises, with financial data to include rentals, property value and ownership.

A month later Dr. Thorp issued a report of progress in which he called attention to the fact that at that time more than 10,000 men and women taken from the rolls of the unemployed were busily engaged in securing the data to be assembled in this Inventory on schedules that had been prepared with the benefit of expert knowledge of such jobs.

THE FACTS TO BE GATHERED

In this statement, Dr. Thorp said:

This survey, financed by Civil Works Administration funds, will cover a selected list of 63 cities with a total population in excess of 10,000,000—every state being represented by at least one city.

These cities are of different sizes, ranging from very small to large places, and represent different types of development and different industrial characteristics. All of the buildings within these cities and their suburbs will be noted, and detailed information will be gathered on those which are used for residential purposes. * * *

The Inventory will find out and record 4 general types of information in a house-to-house canvass carried on by the white collar unemployed in the cities to be surveyed:

(1) Number of houses, their occupancy, vacancy, their population density, family units and extent of doubling up;

(2) General data as to the type of building, material of construction, condition, age, repairs needed, and those not habitable and fit for the wrecker;

(3) Improvements, sanitary equipment, elevators, heating apparatus, gas, electricity, water supply and refrigeration;

(4) Financial data to include rentals, property values and ownership.

The census will cover what is practically a virgin field; the data will answer some of the questions as to the character of existing housing facilities and will determine statistically whether it is true that the country is filled with thousands of houses that should be replaced; whether there is overcrowding or an actual shortage of adequate housing facilities.

It will furnish facts that should be valuable to the new housing and slum clearance projects. The data should have value for Congress in planning legislation; to the Federal Home Loan Bank Board and other public and private credit agencies as a basis for more intelligent extension of credit; to local communities in city planning and tax revision projects; to real estate dealers, builders and contractors in business planning; and will hasten recovery in the building industry by supplying a source of hitherto uncollected or unassembled data.

THE SURVEY SCHEDULES

Speaking of the difficulty of keeping the schedule to reasonable limits and limiting it to the questions essential to find out, Dr. Thorp

said not long ago that if they had gathered all the information that the various groups and organizations in the country wanted, it would have required a questionnaire 10 feet long. The survey schedule actually used will have interest for technicians in the housing field. It is not possible to reproduce it here but an inquiry addressed to the Bureau of Foreign and Domestic Commerce, Bureau of the Census, at Washington, requesting a copy of this schedule will undoubtedly produce one. The schedule contains 32 columns which can be broken down into certain general categories.

In a public address made the end of April, Dr. Thorp stated that the field work in this Inventory had been completed and that many of the returns had already been tabulated. He pointed out that for the first time it was possible to answer the questions that must be answered if one desires to have an intelligent programme in the field of construction; and added that if material of this sort had been available in the past, he doubted whether there would have been such extreme fluctuations in the building industry as have characterized it heretofore.

Discussing the data collected, Dr. Thorp said:

FIVE CLASSES OF INFORMATION

We have collected data which may be summarized briefly under 5 headings: First, there is general descriptive information about each structure, materials of which built, number of rooms, age, its physical condition and the like; Second, details concerning its improvements, facilities and utilities, etc.; Third, items concerning occupancy, vacancy and crowding; Fourth, data concerning rents; and Finally, information on various miscellaneous subjects needed by other government agencies. Every building unit is described on a separate line of the enumerator's schedule, and therefore we can make analyses according to any combination of items desired. In addition to the general survey, we are making a special investigation of about 10% of the dwellings, studying the financial structure which underlies them, based upon information concerning mortgages, taxes, income record and the like.

The tabulation of results has proceeded far enough so that it was possible for me to have prepared a preliminary summary of the results for 10 cities to report upon. Of course, 10 cities may not be a sufficient sample to provide an adequate basis for generalizing about the entire country, but they represent wide geographical differences and give some indication of what the results of the entire survey may be.

There can be no question but that the most significant result is that the returns for these cities indicate real need for immediate revival in the construction industry in 7 out of 10. Taken as a group, these 10 cities reported slightly over 111,000 dwelling units. Of this total, 8,424 were vacant when the survey was made. However, there were 9,002 cases of families which had doubled up. Unfortunately, we have no record of what might be called the normal doubling up, but there can be no doubt that the large part of the present situation is temporary, due to depression incomes. However, if we make an allowance for

normal doubling up, we must also make an allowance for normal vacancy. We do know that any healthy housing situation has a normal vacancy of perhaps 6%. If one adds the fact that 3,512 of the dwellings were reported as "unfit to live in," it is even more apparent that this preliminary data indicates that there is danger of a serious housing shortage in the near future. Incidentally, it may be of interest to note that these preliminary figures show that the 3 cities in which the situation is most serious are the three located in Kentucky, North Carolina and Arkansas.

An attempt was made to classify the structures according to their condition. About 4% were reported as "unfit to live in," 20% as needing structural repairs, 36% as needing minor repairs, and only 40% as in good condition. Here is a great need and a great market—the repair and improvement of present dwellings. In every city for which we have as yet completed our reports, at least 2 out of 5 dwellings offer the opportunity for definite repair or renovation.

The details concerning heating are extremely interesting, but must be discussed in the light of the locations of each city. However, the fact that only slightly more than half, 55.5% of the dwellings, have both hot and cold running water, gives cause for thought, and 14.1% have no running water at all. One-fourth (24.3%) of all the dwellings have no private indoor water closet, and 34.8% have neither tub nor shower. In one city, these percentages run as high as 42.8% without water closet, and 50.2% without tub or shower. Approximately one-half of the dwellings have neither gas nor electric cooking.

This is only an indication of the type of information which we are busily putting in order in Washington at the present time. It indicates a market, a tremendous market, and one which, if tapped, will not only result in employment for hundreds of thousands, but will contribute for years to the health and welfare of the citizens of this country.

For months the Federal Government has been studying ways and means of stimulating activity in this field. Now we have the facts. If these 10 cities are a fair index of the total, they offer convincing evidence that the government, industry and financial institutions must co-operate to bring about rapid activity in the field of housing.

CITIES REPORTED UPON

Preliminary reports as to the facts discovered have already been issued with regard to the following cities:

Albuquerque, New Mexico; Asheville, North Carolina; Austin, Texas; Baton Rouge, Louisiana; Boise, Idaho; Burlington, Vermont; Butte, Montana; Casper, Wyoming; Columbia, South Carolina; Decatur, Illinois; Fargo, North Dakota; Frederick, Maryland; Greensboro, North Carolina; Hagerstown, Maryland; Jackson, Mississippi; Lincoln, Nebraska; Little Rock, Arkansas; Nashua, New Hampshire; Oklahoma City, Oklahoma; Paducah, Kentucky; Phoenix, Arizona; Portland, Maine; Pueblo, Colorado; Reno, Nevada; Shreveport, Louisiana; Sioux Falls, South Dakota; Sante Fe, New Mexico; Topeka, Kansas; Wichita Falls, Texas; Zanesville, Ohio.

With regard to each of these cities, detailed facts are presented statistically as to the Types of dwellings—viz.: whether single-family, two-family, three-family, four-family, row house, apartment or other;

as to their Age; as to their Condition—whether good or needing repairs or unfit for use; as to the Material of which constructed—whether wood, brick, stone, concrete, etc.; whether there are Garages associated with them, etc.

THE NATURE OF THE INFORMATION

With regard to each dwelling unit, detailed facts are reported as to Occupancy and Vacancy and the extent of Doubling Up or extra families, with detailed information as to the period of occupancy by the present tenants, and the duration of vacancies.

Further information is presented as to the race of occupants—whether white or colored, the monthly rental, the number of rooms in the dwelling unit, the number of persons per room, and interesting facts with regard to various amenities—methods of heating, kind of fuel used, hot and cold water supply, lighting facilities, cooking conveniences, presence or absence of private indoor water closets, bathtubs and showers, mechanical refrigeration and whether there are gardens.

Each preliminary report as thus far issued not only presents these facts in a quantitative statement but contains a running comment summarizing and explaining the conditions found. Thus for Albuquerque, New Mexico, we learn that it had a population of 26,570 in 1930 and has 7,820 dwelling units, of which 3,193 are occupied by the owners and that 96% of the population is native white.

We learn further that 74% of the structures are single-family residences; that 3-family houses are relatively scarce there being only 5 in the whole city; that 31% of the structures are wood, with stucco ranking second at 25%. With regard to overcrowding it is pointed out that on the basis of the number of persons per room, housing in Albuquerque shows more crowding than the average of the 25 cities thus far studied—1550 dwelling units having been listed as very spacious, 1792 as spacious and 1947 are reported as adequate. Those listed as crowded, very crowded and greatly overcrowded account for 26% of the total living quarters, as compared with a similar average of 20% for all cities listed up to date.

It is seen from this sample statement that the Real Property Inventory—making allowance for errors that must necessarily be made in any census enumeration—is going to furnish the country with very valuable information.

One is tempted to say that it is almost worth having a Depression to obtain these facts which housing workers have been urging the Census authorities to gather for many years.

BENEVOLENT PATERNALISM

It is a little difficult to anticipate just where the Government's efforts in planning for the various details of human existence are likely to end—if they are to end.

The *New York Sun*, not long ago, in its contemplation of the wide diversity of these efforts in the housing field made the very interesting suggestion that before the Century of Progress Exposition was re-opened a new exhibit should be installed for public instruction. In making this suggestion it says:

Such an exhibit would demonstrate the progress achieved in the present era in nationalizing the American fire-side. The display would be a model home, with its various features labeled as follows:

Built under a NRA code by the Federal Housing Corporation, with funds from the Public Works Administration.

Land surveyed by the emergency corps of the Geodetic Survey.

Shrubbery and landscaping by the Citizens Conservation Corps.

Sewers and street improvements by the Civil Works Administration.

One acre farm approved by the Agricultural Adjustment Administration.

Power and light supplied by the Tennessee Valley Authority.

Coal provided by the Federal Surplus Relief Corporation.

Pictures and wall decorations by the Public Works Art Project.

Mortgaged by the Home Owners Loan Corporation.

Following out this thought in another connection, the *Sun* comments editorially on where all this new Government control is likely to land the average person. Moved by the announcement that the Federal Government was to build houses and to become a landlord, the *Sun* postulates the situation of a man and his family who live in a Government-owned house and on this point has the following to say:

Imagine, for instance, the hazards of government control in the case of a man and his family who live in a government owned house. They pay rent to Washington with money received from the Government as wages by the father of the family, who works for the Civil Works Administration. Suppose the son of the family were employed in the Conservation Corps and that part of his wages from forestry work also went toward the rent. The food that this family bought, the bacon and the bread on their breakfast table would be products controlled by the Agricultural Adjustment Administration, while all the

clothes they wore would have been produced at prices regulated by the NRA. The price of everything they bought, moreover, would include tax money, which, in turn, helps pay for the cost of erecting and financing their home.

The scheme would appear at first glance like that Utopian plan whereby the people of an entire town may live by taking in each other's washing; but the cost of operating government enterprises comes out of the national Treasury only because taxpayers put their money into the Treasury.

NEW JERSEY GETS GOING

A year ago the New Jersey legislature enacted what it somewhat loosely called a "Public Housing Law," the purpose of which was to make it possible for limited-dividend housing corporations to obtain loans from the Federal Government under the then existing law. To meet the requirement that limited-dividend companies receiving federal loans must be under state or municipal supervision, they were put under the jurisdiction of the State Board of Public Utilities. A number of projects were submitted to that body, 4 of which it approved. None of the 4, however, met the requirements of the Housing Division which had become responsible for the Government housing work.

Meanwhile, in addition to providing for loans to limited-dividend housing companies, the new National Industrial Recovery Act opened the way for outright grants as well as loans to public housing authorities. This offered an opportunity for slum clearance and really low-rent housing.

The New Jersey Housing League—organized too late in the spring of 1933 to take an effective part in drafting or amending the Public Housing Act, whose provisions did not meet with its unqualified approval—decided that in a state so small, compact and largely urbanized as New Jersey, a state Housing Authority would function more effectively than a number of municipal ones. After several months of discussion, the legal and technical advisers of the League drafted the first State Housing Authority bill, which was introduced on November 14, 1933, approved by the legislature on December 6 and signed by the Governor the following day. (*Chapter 444, N. J. Acts of 1933.*)

The Housing Authority, created by this act, is given power to acquire, by purchase or condemnation, areas of congested and insanitary housing, to demolish the existing housing, to erect good housing in its place, and to rent to families of low income. Rents cannot be above \$10 per room per month in first class cities, or \$8 elsewhere. Some of these limitations were amendments forced on the bill by the Building and Loan Associations, who also forced the insertion of a provision that Housing Authority property should pay its full share of taxes.

With the approval of the Public Utility Commissioners, the duties of that body in connection with limited-dividend housing corporations were transferred to the newly created Housing Authority.

The Housing Authority consists of 5 members, with overlapping terms, appointed by the Governor. They serve without salary. Due to the death of one of the Governor's appointees and delay by the Senate in confirmation, they were not sworn in and able to start work until February 19, 1934. The members of the Authority are:

Stanley S. Holmes of Maplewood, Chairman. Mr. Holmes is Vice President of the Western Electric, President of the Newark Chamber of Commerce, and until his appointment to the Authority was President of the New Jersey Housing League.

Former State Senator Arthur A. Quinn, Vice Chairman. Mr. Quinn was for 25 years President of the State Federation of Labor. He is at present Comptroller of Customs of the Port of New York.

Mrs. Warren Somers of Atlantic City, Chairman of the Atlantic County Red Cross and active in civic work.

Mrs. Edith Elmer Wood of Cape May Court House, writer on housing subjects and a consultant of the Housing Division in Washington.

Christian H. Ziegler of Jersey City, architect.

The first act of the Housing Authority was to request financial assistance from the Civil Works Administration in carrying out a fairly comprehensive survey on which to base a long range, state wide housing programme. This survey as part of the general Real Property Inventory*—with certain additions in sub-standard areas which might be considered for clearance—is at present under way in Newark, Jersey City, Paterson, Elizabeth, Camden and Atlantic City, and will be extended to other communities if funds hold out. A Real Property Inventory in Trenton has already been completed by the Federal Government.

Citizens' committees throughout the state are expected to play an important advisory part in making and carrying out the housing programme.

EDITH ELMER WOOD

Cape May Court House, N. J.

* See page 203.

FOR MUNICIPAL HOUSING

A NEW NATIONAL ORGANIZATION

The National Public Housing Conference, formally organized as a national association of individuals and organizations in March, 1933, grew out of the Housing Committee of the City Affairs Committee of New York. The Conference has as its purpose the promotion, through education and legislation, of low-cost housing for workers by public authorities with the aid of public funds and on publicly owned land. It operates as a non-technical group, the members of which are primarily concerned with the social importance of housing.

Its officers are: Mrs. V. G. Simkhovitch, President; Miss Helen Alfred, Secretary; Herbert Bayard Swope, Treasurer; and Edith Abbott, James C. Bonbright, William Hodson, Rabbi Edward L. Israel, Harry W. Laidler, Eduard C. Lindeman, Bishop Francis J. McConnell, John Nolen, Rev. John O'Grady, Cornelia Bryce Pinchot, Mary Harri-man Rumsey and Edith Elmer Wood, Vice-Presidents. The offices of the Conference are at 112 East 19th Street, N. Y. C. Among the membership are representatives of the clergy, social work, labor, civic and other community groups.

The chosen method of the Conference to keep working class housing before the community and in the field of public discussion is to arrange conferences, mass and small meetings, to prepare exhibits, and distribute literature widely. The Conference has endeavored to pursue a realistic course and to project its purpose into the field of political action in every way possible, believing that only as housing becomes a political issue can a vigorous housing movement be developed.

The National Public Housing Conference has included in its immediate plans a conference on June 28, to be held in New York City and attended by representatives of all functional organizations. Its second Washington conference will be held in November, and several regional conferences will be convened in the autumn. The concrete purpose of these meetings will be to organize sentiment favorable to the adoption of legislation by means of which municipalities may be enabled to take full advantage of the terms of the National Recovery Act as they apply to loans and grants to public bodies for slum clearance and low-cost housing purposes.

HELEN ALFRED
New York

HOUSING OFFICIALS ORGANIZE

ANOTHER NEW NATIONAL ORGANIZATION

Various groups of public officials have for years been nationally organized to pool their experience and provide themselves services that would enable them to carry on their work more efficiently. It was natural when housing officials were appointed as a result of state and local action, following the impetus of the Emergency Relief and Construction and National Industrial Recovery Acts, that they, like the mayors, the city managers, the legislators, the welfare and finance officials, should decide to establish national headquarters. It was logical, too, that they should choose 850 East 58th Street, Chicago, as the location. Here they have the advantage of close cooperation with nine other organizations in the field of government and public administration. The group maintains together an excellent working library and is within a block of the research facilities of the University of Chicago, one of the country's leading research centers. From the point of view of the housing official it is most advantageous to be closely associated with the headquarters of other public officials who are definitely concerned in the accomplishment of housing programmes.

From its inception the National Association of Housing Officials has received the encouragement and warm support of the federal authorities. It is interesting to note that the number of housing officials has almost tripled since National Association of Housing Officials began operations about six months ago. The Association at present is serving over 150 of them.

Ernest J. Bohn, Chairman of a sub-committee on slum clearance and housing of the Cleveland City Council, a leader in a city which was itself in the vanguard of the housing movement, is President of the new Association. Its Executive Committee is: Ernest J. Bohn; Alfred K. Stern, Chairman of the Illinois State Housing Board; Bertram E. Giesecke, Chairman Pro-Tem of the Texas Relief Commission; George Gove, Secretary of the New York State Board of Housing; Edmond H. Hoben, Planner for Housing of the Board of Public Land Commissioners of Milwaukee.

The executive staff includes Charles S. Ascher, Executive Director, formerly associated with both the Radburn, New Jersey, and Sunnyside, New York, developments; Coleman Woodbury, Associate Director, Secretary of the Illinois State Housing Board, formerly on the staff of the Institute of Land Economics at Northwestern University; and Miss Elizabeth Longan, Assistant Director, formerly Regional Secretary of the National League of Women Voters.

Since its organization, National Association of Housing Officials has published three handbooks dealing with procedure in various phases of a housing programme. The first, *State Laws for Public Housing—A Memorandum for the Drafting of Enabling Acts for Public Housing Agencies*, is a statement on the points which should be included in, and a guide for the drafting of, legislation creating public agencies to construct and operate low-cost housing projects, both rural and urban. The second, *Public Housing Surveys*, which is based upon actual experience in conducting surveys for public housing purposes in leading cities, not only indicates what facts are relevant and what irrelevant to demonstrate the need and demand for low-cost housing and to provide a working basis for housing operations, but explains where and how to get these facts. The third, *Demolition of Unsafe and Insanitary Housing*, is a discussion of administrative procedures which might be employed to expedite a comprehensive programme of demolition, utilizing relief labor in so far as possible. It contains suggestions for organizational procedure, the checking of mortgages and ownership records and the resolution of various legal difficulties which inevitably crop up. This pamphlet is an outgrowth of a conference on demolition sponsored by the Federal Emergency Relief Administration.

In addition to its pamphlet material, the Association issues frequent mimeographed news bulletins on housing developments, distributes the most valuable of the reports and other materials which evolve from the experience of local housing agencies in various parts of the country, and supplies to its members free of charge copies of especially helpful periodicals and pamphlets obtained from other sources.

The Association has received a special grant of funds by which it is enabled to furnish without financial obligation to cities needing help with their housing programmes technically qualified field consultants who have played leading roles in the housing developments of cities whose programmes are among the most advanced. In its first half year the Association has given drafting and legislative assistance to 7 states and has sent its representatives to assist 24 cities located all the way from Louisiana to Michigan and from California to New York.

Although, as its name indicates, it is primarily an association of housing officials, other officials, organizations and lay people are cordially invited to become associate members and to receive its informational services. The Association already has 30 such members. The dues are \$5 a year.

CHARLES S. ASCHER
Executive Director, Chicago

ALERT AND ON GUARD

IN BROOKLYN

Bills proposing to decrease the depth of yards for multiple-dwellings on corner lots, to decrease the size of courts, to permit the use of wooden buildings for multiple-dwelling purposes, to let down on egress requirements, to allow one-story garages adjacent to multiple-dwellings, to eliminate certain fire-prevention requirements, to permit "duct" ventilation of water closets in "old-law" tenements, to relieve owners from having to maintain the interior of apartments in a sanitary condition—these were some of the measures against which the Housing Committee of the Brooklyn Bureau of Charities had to fight during the year 1932-1933. Joseph H. Fink, Secretary, tells in his Report of the strenuous fight required to uphold housing standards during the legislative session.

The Committee supported a bill creating a one-year moratorium on violations of the Multiple Dwelling Law that do not affect sanitary conditions nor increase fire hazards. It is unfortunate that such a measure should have seemed necessary in New York, since it undoubtedly means increased dilapidation of buildings and a more serious problem to contend with when the Depression ends. Improvements have slowed down everywhere but it is still possible in most cities to have such repairs and improvements made as are necessary and justified.

The most important act affecting housing considered and passed by the legislature was, according to the Bureau's report, "rushed through both Houses of the Legislature and sent to the Governor on the closing day of the session." This act, took from the special Tenement House Department of the City jurisdiction over the examination and approval of plans for new multiple dwellings and for alterations and vested the entire enforcement of the Multiple Dwelling Law in future new buildings and alterations in the five Building Superintendents of the five Boroughs.

It provided also for a Board of Building Appeals, granting to this Board the power to iron out practical difficulties and to grant variations from the law "provided the spirit of the law shall be observed and public safety secured and substantial justice done." The bill was opposed by the Bureau's Committee and by various welfare organizations throughout the city but was approved by the Governor. The Governor in his memorandum of approval, stated that "the act has the advantage of consolidating in one department, building inspec-

tion and supervising functions." He also believed that it would result in uniformity of regulation and in economy.

The Bureau's Committee opposed a change in local laws which made tax exemption of future housing projects no longer automatic as in the past, but left the question one to be determined in each case by the local authorities on its merits.

OTHER ACTIVITIES

During the year, 1932, some 308,000 petitions were filed for evictions but only 3,191 families, or about 1%, were actually evicted.

A survey made by the Tenement House Department revealed that out of 32,136 "old-law" tenements in Brooklyn, 10,736 still had water closets in the halls, used in common, and 838 buildings had toilets in the yard. Some 15,000 "old-law" tenements accommodating 80,000 families had no bath rooms in their apartments. During the year, 67 "old-law" tenements were demolished. This is a decidedly small rate of demolition compared with many other cities and it would seem that the New York Tenement House Department might speed up this phase of its work.

While in 1931 there were 6.7% vacancies in "new-law" tenements, this had increased to 10.8%, as shown by the survey made early in 1933. Vacancies in old law tenements were about 13% in both years.

As would be expected, an enormous falling off in building construction took place. Only 191 new buildings providing for 6,500 families were constructed in 1932. Relatively there was more construction in Brooklyn than in the other boroughs.

The six-story "walk-up" is no longer being constructed in Brooklyn for the reason, states the Report, "that lending institutions will not advance mortgages on 'walk-ups' over 4 stories high".

A substantial decrease in rents throughout Brooklyn in every type of dwelling but especially in old type tenement houses is reported by the Brooklyn Committee. This has led to the installation of heating and hot water plants and bath rooms in many tenements as an inducement for securing tenants. "Apartments can now be secured," Mr. Fink states, "in 'new-law' tenements including heat, hot water and bath for as low as \$8 a room a month."

Part of the work of the Brooklyn Committee is reporting violations to the Tenement House Department. Approximately 3500 such violations were reported in the period under review.

BLEECKER MARQUETTE
Cincinnati

HOW THE OTHER HALF LIVES IN CINCINNATI

A survey outlined by the Better Housing League was completed a few months ago by the Department of Public Welfare of Cincinnati. This Survey which involved some 10,000 families covered the subjects of vacancies, the number of persons per apartment, the number of persons per room, the doubling up of families, the average rent per room per month, the rent in relation to the conveniences provided, the percentage of apartments of various sizes, and the preference of families to continue to live in the downtown areas of the city. It covered 5 Census Tracts selected to give a cross section of the city. Among the striking things shown by the study were the following:

Seventy-five percent (75%) of the families prefer to continue to live in their present location, chiefly, so as to be near their work. In spite of the fact that the population of this area in general has been decreasing there is found to be a 21% vacancy among the white people and a 13% vacancy among the Negro families. There has been a startling drop in rents. Far more families in 1932 were found to be paying rentals between \$10 and \$19 a month and a far smaller portion paying rentals in excess of that amount as compared with 1930. While, in 1930, 30% of the families in these sections paid between \$20 and \$30 a month, and 15% over \$30, today only 12% are paying between \$20 and \$30 and but 2½% over \$30 a month.

Sixty percent (60%) of the white apartments have no conveniences except a sink with running water. Almost exactly the same percentage holds for the Negro group. One would expect to find that practically all of the apartments where the rent is higher would have conveniences. Nevertheless, the figures show that 50% of the families paying from \$6 to \$7 a room a month have no conveniences except a sink in the apartment; while for those paying over \$7 a room a month, 41% have only a sink. Seventy-five percent (75%) of the white families pay less than \$6 a room a month.

Other less striking facts disclosed were that the average number of persons per apartment in the case of white families was 3.1 persons and with the Negro 3.2. The average number of persons per room was 1.37 persons for the white apartments and 1.31 persons for the Negro. Of the white families 3.8%, and of the Negro families 8.7% were found to be doubled up with more than one family to the apartment.

The figures of the percentage of income paid for rent are quite significant. Among the white families 45% pay 20% or less of their income; 28% pay between 20 and 30% of their income; 11% pay from 30 to 40%; and 14% pay over 40% of their income for rent. There is no doubt that in general these families are today paying a far greater percentage of income than they formerly paid. A similar situation was strikingly brought out by the recent New York study made by the League of Mother's Clubs of that city.

The Better Housing League has recently studied the fuel costs of 132 families. Most of these families heat their homes by coal stoves, 20% supplementing this heat with gas. The study reveals that these

families spent an average of \$25 a year for heat. There is great divergence in the heating costs. The cost of heating a 1-room apartment in this group of families averaged \$19.40 per year; for 2 rooms, \$22.11; 3 rooms, \$26.25; 4 rooms, \$35, and 5 rooms, \$39.10. As was to be expected, those families who buy their coal by the bushel were found to pay much more for their heating costs.

BLEECKER MARQUETTE
Cincinnati

CINCINNATI LEARNS ABOUT SLUMS

The *Cincinnati Times-Star* not long ago carried a series of eight articles on housing prepared by Bleecker Marquette, Executive Secretary of the Better Housing League and illustrated by photographs, maps and charts.

These articles gave a graphic picture of existing housing conditions in that city, emphasized the social and economic cost of slum conditions and described the Cincinnati housing projects then before the Federal Housing Administration. Based on the data of the social cost of slums as determined by the Chamber of Commerce of Indianapolis and the Department of Social Research of the University of Indiana, it was shown that such costs in Cincinnati would total somewhere in the neighborhood of \$2,000,000 a year.

Maps presented showed that most of the city's bad housing was in the low economic census tracts and that in these districts infant mortality, tuberculosis and crime were at their peak.

Other maps prepared by the City Planning Commission showed how the population is being drained off the "blighted areas" of the city and how property values are decreasing. The articles pointed out that unless drastic steps were taken to halt the deterioration of the "Basin" area of the city, property values would continue to decline; and, as a result, property owners and even the city itself might face the possibility of enormous losses. These areas, it was demonstrated, do not now repay the community what it costs to provide the public services in them and yet they are being drained of population to a point where the amount of taxes derived by the city is growing less each year. As the population is drained from the "Basin" area to the suburban districts, the city is called upon to duplicate streets, sewers, water mains, schools and other facilities now being maintained at high expense in the blighted areas.

The articles pointing out that slum clearance and rebuilding offer great possibilities for the use of building materials and the employ-

ment of labor, suggest that if such projects can be carried out without increasing density of population, they can be duplicated indefinitely without upsetting real estate values, until all of the city's slum areas are eliminated.

The obstacles in the way of slum rebuilding by limited-dividend corporations are pointed out with special emphasis upon the difficulty of bringing rentals down to a figure within the means of the low-income families.

The *Cincinnati Post* carried a later illustrated series prepared by their own feature writer, bringing out the proposal for a project under the Cincinnati Metropolitan Housing Authority.

BLEECKER MARQUETTE
Cincinnati

CINCINNATI MAY EMPTY THE BASIN

Last October Cincinnati people interested in housing cooperated with Cleveland in bringing about the enactment of a State Housing Authority law. This had been shown to be necessary as a result of the developments proving the impossibility in these times of real low-cost housing through limited-dividend housing corporations. Four (4) such projects had been submitted to Washington from Cincinnati and had received strong backing from the Better Housing League and other local groups. Only one of these projects was approved by Washington and even that could not produce the necessary equity.

In December, a Cincinnati Metropolitan Housing Authority was created through the efforts of a specially formed committee known as the Citizens' Committee on Slum Clearance and Low Cost Housing of which August Marx is chairman. The Authority consists of the following:

Stanley M. Rowe, chairman, Mrs. Simon Kuhn, Charles H. Urban, John B. Spilker and Wm. Procter Matthews.

For nearly a year preceding this time the City Planning Commission had been studying and replanning a large section of the "Basin" area of the city. Searching studies had already been made of tax valuation trends, population trends, mortgages and other pertinent data. The important social facts had also been collected by the Better Housing League and the Department of Public Welfare. The Planning Commission even laid out a scheme.

On December 15 a \$22,000,000 housing scheme was proposed by the Authority and submitted to the Housing Division of the Federal Government. Following definite suggestions for changes in the pro-

posed plan made by Washington, the Authority retained a group of 6 architects, revised its entire scheme and resubmitted it to Washington. It was made clear at that time that the allocation of funds for housing in Cincinnati would be considerably less than originally requested because of the limited amount of funds then available for housing projects, generally.

A month ago one of the Assistant City Solicitors of Cincinnati was designated by Washington as land assemblage agent in Cincinnati for the Federal Housing Division. Under instructions from the Division, he is proceeding with a trained staff to appraise twice as much property as the funds allocated will purchase. When this information has been secured, it is understood that the Federal Government will authorize the taking of options and then ask the Cincinnati Metropolitan Housing Authority to recommend the areas which it thinks should be acquired, based upon the cost of the land acquisition. The Authority has purposely refrained from deciding upon definite locations pending the determination of property prices.

The general area under consideration is in the "Basin" section of the city. The degree of occupancy by the existing structures approximates 65%. Under the new plans, the buildings will occupy approximately 25% of the land. The buildings will be fire-proof apartment houses, mostly 3-stories in height. Provision is made for sizeable park and recreation spaces which it is expected will be purchased, maintained and operated by the city. The Authority is proceeding on the assumption that the buildings will be taxable. A development for white tenants as well as a development for Negro tenants is contemplated.

BLEECKER MARQUETTE
Cincinnati

ALBION FELLOWS BACON

DIED, DECEMBER 10, 1933

Thus passed away one of those who contributed much in her own state and outside it to the Cause of Housing.

A great leader and a valiant warrior in the fight against evils of all kinds—against Slums, against poverty, against child oppression.

A gay blithe spirit forcing her frail body to perform miracles beyond her strength. Everywhere and at all times she gave

Beauty for Ashes